

# THE STATE SCHOOL AID ACT OF 1979

## Act 94 of 1979

AN ACT to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal acts and parts of acts.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

**Compiler's note:**Sec. 42, as added by Act 207 of 1990, was vetoed by the governor on July 27, 1990.

Secs. 43, 92, and 111a, as added by Act 118 of 1991, were vetoed by the governor on October 11, 1991.

Sec. 71a, as added by Act 283 of 1994, was vetoed by the governor on July 9, 1994.

Secs. 20h, 28b, 56a, and 94a, as added by Act 130 of 1995, were vetoed by the governor on June 30, 1995.

Secs. 29 and 95a, as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

Sec. 11e, as added by Act 372 of 1996, was vetoed by the governor July 3, 1996.

Sec. 11j, Sec. 11k, and Sec. 31b, as added by Act 339 of 1998, were vetoed by the governor on October 13, 1998.

*The People of the State of Michigan enact:*

## ARTICLE 1

388.1601Short title.

Sec. 1. The act shall be known and may be cited as “the state school aid act of 1979”.

**History:**1979, Act 94, Eff. Oct. 1, 1979.

388.1602Meanings of words and phrases.

Sec. 2. For the purposes of this act the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

**History:**1979, Act 94, Eff. Oct. 1, 1979.

388.1603Definitions; A to D.

Sec. 3. (1) “Average daily attendance”, for the purposes of complying with federal law, means 92% of the membership as defined in section 6(4).

(2) “Board” means the governing body of a district or public school academy.

(3) “Cooperative education program” means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(4) “Department” means the department of education.

(5) “District” means a local school district established under the revised school code, a local act school district, or, except in sections 6(4), 6(6), 13, 20, 23, 31a, and 105, a public school academy. Except in sections 6(4), 6(6), 13, 20, and 105, district also includes a university school.

(6) “District of residence”, except as otherwise provided in this subsection, means the district in which a pupil’s custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil’s district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil’s district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil’s custodial parent or parents or legal guardian resides, the pupil’s district of residence shall be considered to be the educating district or educating intermediate district.

(7) “District superintendent” means the superintendent of a district, the chief administrator of a public school academy, or the chief administrator of a university school.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

388.1604Definitions; E to H.

Sec. 4. (1) “Elementary pupil” means a pupil in membership in grades K to 8 in a district not maintaining classes above the eighth grade or in grades K to 6 in a district maintaining classes above the eighth grade.

(2) “Extended school year” means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory days of student instruction and prescribed clock hours shall be completed by each pupil not more than 365 calendar days after the pupil’s first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

(3) “Fiscal year” means the state fiscal year which commences October 1 and continues through September 30.

(4) “General educational development testing preparation program” means a program that has high school level courses in writing skills, social studies, science, reading skills, and mathematics and that prepares a person to successfully complete the general educational development (GED) test.

(5) “High school pupil” means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1995, Act 130, Eff. Oct. 1, 1995.

#### 388.1605Definitions; I.

Sec. 5. (1) “Intermediate board” means the governing body of an intermediate district.

(2) “Intermediate district” means an intermediate school district established under part 7 of the revised school code.

(3) “Intermediate superintendent” means the superintendent of an intermediate district.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

#### 388.1606Additional definitions.

Sec. 6. (1) “Center program” means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) “District pupil retention rate” means the proportion of pupils who have not dropped out of school in the immediately preceding school year and is equal to 1 minus the quotient of the number of pupils unaccounted for in the immediately preceding school year, as determined pursuant to subsection (3), divided by the pupils of the immediately preceding school year.

(3) “District pupil retention report” means a report of the number of pupils, excluding migrant and adult, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into the district, transferred out of the district, transferred to alternative programs, and have graduated, to determine the number of pupils who are unaccounted for. The number of pupils unaccounted for shall be calculated as determined by the department.

(4) “Membership”, except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .6 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .4 times the final audited count from the supplemental count day for the immediately preceding school year, as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, a pupil shall be counted in membership in the pupil’s educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil’s district of residence and the educating district is not in the same intermediate district as the pupil’s district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil’s district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil’s district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the state board, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general education development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, both administered by the Michigan jobs commission, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least  $\frac{1}{2}$  of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than  $\frac{1}{2}$  of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 1284 of the revised school code, MCL 380.1284. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to  $\frac{1}{2}$  the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district that has qualified currently migrant pupils enrolled in the district as of the pupil membership count day who were not counted in membership in the district on the supplemental count day for the immediately preceding school year, as determined by the department using the criteria used for eligibility for the migrant education program under the improving America's schools act of 1994, Public Law 103-382, 108 Stat. 3518, the number of those pupils counted in the district's membership is  $\frac{3}{4}$  of the number of those pupils counted on the pupil membership count day only.

(t) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(u) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(v) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(w) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

(x) For 1997-98 only, if a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(5) "Public school academy" means a public school academy operating under the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for any of the following:

(a) Nonpublic part-time pupils enrolled in grades 1 to 12 in accordance with section 166b.

(b) Pupils receiving 1/2 or less of their instruction in a district other than their district of residence.

(c) Pupils enrolled in a public school academy or university school.



(d) Pupils enrolled in a district other than their district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) Pupils enrolled in a district other than their district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105.

(f) Pupils enrolled in a district other than their district of residence if the pupils have been continuously enrolled in the educating district since a school year in which the pupils enrolled in the educating district under section 105 and in which the educating district enrolled nonresident pupils in accordance with section 105.

(g) A nonresident pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the nonresident pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(ii) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90f, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

However, if a district that is not a first class district educates pupils who reside in a first class district and if the primary instructional site for those pupils is located within the boundaries of the first class district, the educating district must have the approval of the first class district to count those pupils in membership. As used in this subsection, "first class district" means a district organized as a school district of the first class under the revised school code.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the fourth Wednesday in September each school year.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) Fourth Wednesday in September.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) “Rule” means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(9) “The revised school code” means 1976 PA 451, MCL 380.1 to 380.1852.

(10) “School fiscal year” means a fiscal year that commences July 1 and continues through June 30.

(11) “State board” means the state board of education.

(12) “Supplemental count day” means the day on which the supplemental pupil count is conducted under section 6a.

(13) “Tuition pupil” means a pupil of school age attending school in a district other than the pupil’s district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(d) to (g). A pupil’s district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(14) “State school aid fund” means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(15) “Taxable value” means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(16) “Total state aid” or “total state school aid” means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(17) “University school” means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 112, Imd. Eff. Oct. 4, 1979;—Am. 1979, Act 209, Imd. Eff. Jan. 10, 1980;—Am. 1980, Act 269, Imd. Eff. Sept. 30, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1981, Act 134, Imd. Eff. Oct. 20, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 218, Imd. Eff. Nov. 16, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1984, Act 253, Imd. Eff. Nov. 29, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1985, Act 144, Imd. Eff. Nov. 4, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1,

1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Sept. 1, 1996;—Am. 1997, Act 93, Imd. Eff. Aug. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**The school district pupil accounting for distribution of state aid rules referred to in subsection (2) became effective August 17, 1984.

Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subsections 4(u), 4(w), and 4(x), as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

In subsection (4), as amended by Act 93 of 1997, the following sentences were vetoed by the governor on August 1, 1997: "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .6 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .4 times the final audited count from the supplemental count day for the immediately preceding school year, as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit. The amount of the foundation allowance to be paid on behalf of a pupil in membership is determined under section 20.

Subsections (4)(x) and (4)(y), as amended by Act 93 of 1997, were vetoed by the governor on August 1, 1997.

Subsection (4)(y), as amended by Act 339 of 1998, was vetoed by the governor on October 13, 1998.

**Administrative rules:**R 340.1 et seq. of the Michigan Administrative Code.

### 388.1606aSupplemental pupil count.

Sec. 6a. Except as otherwise provided in this act, in addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full-time equated pupils in grades K-12 actually enrolled and in regular daily attendance in a district or intermediate district on the second Wednesday in February or, for a district that is not in session on that day, the immediately preceding day on which the district is in session. For the purposes of this act, the day on which the supplemental pupil count is conducted is the supplemental count day.

**History:**Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**This section, as added by Act 336 of 1993, was originally compiled as § 388.1606a[1] to distinguish it from a Sec. 6a added by Act 254 of 1992, which pertained to use of alternate pupil membership count day, that was compiled as § 388.1606a prior to its repeal by enacting section 3(b) of Act 283 of 1994, Eff. Oct. 1, 1994.

### 388.1606bEnrollment of nonresident pupil; counting pupil in membership; adjustment of educating district's pupil count.

Sec. 6b. (1) A district enrolling a nonresident pupil with the approval of the pupil's district of residence may count the pupil in membership in a school year if the approval of the pupil's district of residence is received before the end of that school year.

(2) If the approval described in subsection (1) is received by the educating district at any time before the end of its school year, the department shall adjust the educating district's pupil count for the pupil membership count day or the supplemental count day of that school year, or both as necessary to ensure that the pupil is counted in membership in the educating district for those pupil counts for which the pupil was enrolled and in attendance.

**History:**Add. 1997, Act 24, Imd. Eff. June 16, 1997.

**Compiler's note:**Former § 388.1606b, which pertained to administration of alternative education, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

388.1606c, 388.1606dRepealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed sections pertained to alternative education programs and district as authorizing body for public school academy.

388.1607Expenditures included in costs for school operating purposes.

Sec. 7. Costs for school operating purposes include all expenditures necessary to carry out the powers of the district or intermediate district under the revised school code.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1608Furnishing annual pupil dropout rate; calculation; report.

Sec. 8. (1) In order to receive funds under this act, each district shall furnish to the department not later than December 1 of each year, on a form and in a manner prescribed by the department, the information requested by the department that is necessary for the preparation of the district pupil retention report defined in section 6(3).

(2) On the basis of a district's pupil retention report as defined in section 6(3), the department shall calculate an annual pupil dropout rate for each district. In addition, the department shall calculate an annual pupil dropout rate for the state in the same manner as that used to calculate the pupil dropout rate for a district. The department shall report all pupil dropout rates to the senate and house education committees and appropriations committees and the department of management and budget not later than September 15 each year.

**History:**Add. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

388.1608aGrades K-3 average pupil count; report.

Sec. 8a. For each of the district's school buildings that operate some or all of grades K-3, a district shall report to the department not later than December 1 of each school year the average number of pupils per class in grades K-3 in the school building.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1609Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to rules.

388.1610Money deposited under §§ 432.201 to 432.216; separate account.

Sec. 10. Money deposited in the state school aid fund under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.216, shall be deposited into a separate account in the state school aid fund. Money in this separate account shall not be expended unless it is specifically appropriated by the legislature from this

separate account. An appropriation from the state school aid fund that does not specifically identify that it is being made from this separate account shall not be considered to be an appropriation of money in this separate account.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

### 388.1611Appropriations.

Sec. 11. (1) For the fiscal year ending September 30, 1998, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$8,717,471,600.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$377,935,400.00 from the general fund. For the fiscal year ending September 30, 1999, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$9,000,761,900.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$420,613,500.00 from the general fund. For the fiscal year ending September 30, 2000, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$9,366,408,600.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$420,613,500.00 from the general fund. In addition, available federal funds are appropriated for 1997-98, for 1998-99, and for 1999-2000.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund and from available federal funds shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall remain in the state school aid fund.

(3) If the maximum amount appropriated under this section and sections 11f and 11g from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, and 51a(2) shall be made in full and payments under each of the other sections of this act shall be prorated on an equal percentage basis as necessary to reflect the amount available for expenditure from the state school aid fund for that fiscal year. However, if the department of treasury determines that proration will be required under this subsection, the department of treasury shall notify the director of the department of management and budget, and the director of the department of management and budget shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this

act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the director of the department of management and budget, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the department of management and budget, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

388.1611aRepealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to additional appropriations.

388.1611bRepealed.1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**The repealed section pertained to additional appropriations to intermediate districts for general operations.

388.1611c, 388.1611dRepealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed sections pertained to additional appropriations and carrying forward as work projects.

388.1611ePayments to plaintiff districts pursuant to *Durant v State of Michigan*; public hearing by board on proposed use of funds.

Sec. 11e. (1) In addition to any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$212,000,000.00 for the fiscal year ending September 30, 1998 for paying money damages to districts and intermediate districts who were plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492, and for making other payments required in those consolidated cases. The amount paid to each district or intermediate district under this section shall be the total amount of the damages awarded to the district or intermediate district, as calculated by the department in accordance with the Michigan supreme court's July 31, 1997 opinion in those consolidated cases. The entire amount of this payment shall be paid on April 15, 1998. This appropriation is from the money appropriated and transferred to the state school aid

fund from the countercyclical budget and economic stabilization fund under section 353e(1) of the management and budget act, 1984 PA 431, MCL 18.1353e.

(2) In order for the democratic process to inform and shape distribution of the money paid under this section, as referenced in the Michigan supreme court's July 31, 1997 opinion in the consolidated cases known as *Durant v State of Michigan*, not later than 90 days after receipt of funds under this section, and before expending any of those funds, the board of a district or intermediate district that receives funds under this section shall hold a public hearing of the board to discuss how the board will use those funds. The board may hold this hearing as part of a regularly scheduled board meeting if the public notice of that regular meeting clearly indicates that the issue of use of funds received under this section will be on the agenda at the regular meeting.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

388.1611f Payments to non-plaintiff districts pursuant to *Durant v State of Michigan*; payments for fiscal year ending September 30, 1999 through September 30, 2008; submission of waiver resolution; creation of obligation or liability; offer of settlement and compromise; payment date; use of payments; appropriation under § 18.1353e; form and substance of resolution; public hearing by board on proposed use of funds.

Sec. 11f. (1) In addition to any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$32,000,000.00 each fiscal year for the fiscal year ending September 30, 1999, for the fiscal year ending September 30, 2000, and for each succeeding fiscal year through the fiscal year ending September 30, 2008. Payments under this section will cease after September 30, 2008. These appropriations are for paying the amounts described in subsection (4) to districts and intermediate districts, other than those receiving a lump sum payment under subsection (2), that were not plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, have submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*. The waiver resolution shall be in form and substance as required under subsection (8). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. The amounts described in this subsection represent offers of

settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(2) In addition to any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$1,700,000.00 for the fiscal year ending September 30, 1999. This appropriation is for paying the amounts described in this subsection to districts and intermediate districts that were not plaintiffs in the consolidated cases known as *Durant v State of Michigan*; that, on or before March 2, 1998, have submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*; and for which the total amount listed in section 11h and paid under this section is less than \$75,000.00. The waiver resolution shall be in form and substance as required under subsection (8). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. For a district or intermediate district qualifying for a payment under this subsection, the entire amount listed for the district or intermediate district in section 11h shall be paid in a lump sum on November 15, 1998 or on the next business day following that date. The amounts paid under this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(3) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in subsection (1) or (2). This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*. This section,



any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(5) The entire amount of each payment under subsection (1) each fiscal year shall be paid on November 15 of the applicable fiscal year or on the next business day following that date.

(6) Funds paid to a district or intermediate district under this section shall be used only for textbooks, electronic instructional material, software, technology, infrastructure or infrastructure improvements, school buses, school security, training for technology, or to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section. For intermediate districts only, funds paid under this section may also be used for other nonrecurring instructional expenditures including, but not limited to, nonrecurring instructional expenditures for vocational education, or for debt service for acquisition of technology for academic support services. Funds received by an intermediate district under this section may be used for projects conducted for the benefit of its constituent districts at the discretion of the intermediate board. To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for that debt service.

(7) The appropriations under this section are from the money appropriated and transferred to the state school aid fund from the countercyclical budget and economic stabilization fund under section 353e(2) and (3) of the management and budget act, 1984 PA 431, MCL 18.1353e.

(8) The resolution to be adopted and submitted by a district or intermediate district under this section and section 11g shall read as follows:

“Whereas, the board of \_\_\_\_\_ (name of district or intermediate district) desires to settle and compromise, in their entirety, any claim or claims that the district (or intermediate district) has or had for violations of section 29 of article IX of the state constitution of 1963, which claim or claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492.

Whereas, the district (or intermediate district) agrees to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Whereas, the board of \_\_\_\_\_ (name of district or intermediate district) is authorized to adopt this resolution.

Now, therefore, be it resolved as follows:

1. The board of \_\_\_\_\_ (name of district or intermediate district) waives any right or interest it may have in any claim or potential claim through September 30, 1997 relating to the amount of funding the district or intermediate district is, or may have been, entitled to receive under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source of state funding, by reason of the application of section 29 of article IX of the state constitution of 1963, which claims or potential claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492.

2. The board of \_\_\_\_\_ (name of district or intermediate district) directs its secretary to submit a certified copy of this resolution to the state treasurer no later than 5 p.m. eastern standard time on March 2, 1998, and agrees that it will not take any action to amend or rescind this resolution.

3. The board of \_\_\_\_\_ (name of district or intermediate district) expressly agrees and understands that, if it takes any action to amend or rescind this resolution, the state, its agencies, employees, and agents shall have available to them any privilege, immunity, and/or defense that would otherwise have been available had the claims or potential claims been actually litigated in any forum.

4. This resolution is contingent on continued payments by the state each fiscal year as determined under sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g. However, this resolution shall be an irrevocable waiver of any claim to amounts actually received by the school district or intermediate school district under sections 11f and 11g of the state school aid act of 1979.”.

(9) In order for the democratic process to inform and shape distribution of the money paid under this section and section 11g, as referenced in the Michigan supreme court’s July 31, 1997 opinion in the consolidated cases known as

*Durant v State of Michigan*, before June 30, 1998, the board of a district or intermediate district that qualifies to receive funds under this section or section 11g shall hold a public hearing of the board to discuss how the board will use those funds and, if applicable, any proceeds from bonds that may be issued under section 11i. The board may hold this hearing as part of a regularly scheduled board meeting if the public notice of that regular meeting clearly indicates that the issue of use of funds received under this section and section 11g will be on the agenda at the regular meeting.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1611gPayments to non-plaintiff districts pursuant to *Durant v State of Michigan*; payments for fiscal year ending September 30, 2000 through September 30, 2013; waiver resolution; offers of settlement and compromise; creation of obligation or liability; calculation of amount; payment date; use of funds; appropriation and transfer from countercyclical budget and economic stabilization fund.

Sec. 11g. (1) In addition to the appropriations under section 11f and any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$40,000,000.00 for the fiscal year ending September 30, 1999. From the general fund money appropriated in section 11, there is appropriated an amount not to exceed \$40,000,000.00 for the fiscal year ending September 30, 2000 and for each succeeding fiscal year through the fiscal year ending September 30, 2013. Payments under this section will cease after September 30, 2013. These appropriations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, have submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be the sum of the following:

(a) 1/30 of the total amount listed in section 11h for the district or intermediate district.

(b) If the district or intermediate district borrows money and issues bonds under section 11i, an additional amount in each fiscal year calculated by the department of treasury that, when added to the amount described in subdivision (a), will cause the net present value as of November 15, 1998 of the total of the 15 annual payments made to the district or intermediate district under this section, discounted at a rate as determined by the state treasurer, to equal the amount of the bonds issued by that district or intermediate district under section 11i and that will result in the total payments made to all districts and intermediate districts in each fiscal year under this section being no more than the amount appropriated under this section in each fiscal year.

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

(a) First, to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section.

(b) Second, to pay debt service on other limited tax obligations.

(c) Third, for deposit into a sinking fund established by the district or intermediate district under the revised school code.

(5) To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for debt service.

(6) A district or intermediate district may pledge or assign payments under this section as security for bonds issued under section 11i, but shall not otherwise pledge or assign payments under this section.

(7) The state school aid fund appropriation under this section for 1998-99 is from the money appropriated and transferred to the state school aid fund from the countercyclical budget and economic stabilization fund under section 353e(2) of the management and budget act, 1984 PA 431, MCL 18.1353e.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1611hAmounts to districts for settlement, compromise, and resolution of claims pursuant to *Durant v State of Michigan*; section not to be construed as admission of liability or waiver of defense.

Sec. 11h. (1) For the purposes of sections 11f and 11g, the following amounts are offered to each district or intermediate district to settle, compromise, and resolve, in their entirety, any claim or claims that those districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as *Durant v State of Michigan*, Michigan supreme court docket no. 104458-104492:

CODE	NAME	AMOUNT
02010	Autrain-Onota Public Schools	\$
	14,622	
02020	Burt Township School District	\$
	6,744	
02070	Munising Public Schools	\$
	185,461	
02080	Superior Central School District	\$
	96,734	
03000	Allegan Intermediate District	\$
	648,801	
03010	Plainwell Community Schools	\$
	741,425	
03020	Otsego Public Schools	\$
	540,058	

03030	Allegan Public Schools	\$
	926,426	
03040	Wayland Union Schools	\$
	731,677	
03050	Fennville Public Schools	\$
	579,056	
03060	Martin Public Schools	\$
	139,670	
03070	Hopkins Public Schools	\$
	255,685	
03100	Hamilton Community Schools	\$
	401,023	
03440	Ganges School District #4	\$
	2,201	
04000	Alpena-Montmorency-Alcona Intermediate	\$
	726,402	
04010	Alpena Public Schools	\$
	1,042,911	
05010	Alba Public Schools	\$
	42,367	
05035	Central Lake Public Schools	\$
	69,082	
05040	Bellaire Public Schools	\$
	167,614	
05060	Elk Rapids Schools.	\$
	357,615	

05065	Ellsworth Community Schools	\$
	21,150	
05070	Mancelona Public Schools	\$
	285,764	
06010	Arenac Eastern School District	\$
	79,078	
06050	Standish Sterling School District	\$
	317,341	
07020	Baraga Township School District	\$
	216,490	
07040	L'Anse Area Schools	\$
	263,107	
08000	Barry Intermediate District.	\$
	390,738	
08010	Delton-Kellogg School District	\$
	254,518	
08030	Hastings Area School District	\$
	615,970	
08050	Thornapple-Kellogg School District	\$
	794,355	
09000	Bay Arenac Intermediate District	\$
	3,690,121	
09010	Bay City School District	\$
	2,957,596	
09030	Bangor Township Schools	\$
	690,490	

09090	Pinconning Area Schools	\$
	437,504	
10015	Benzie County Central Schools	\$
	469,507	
10025	Frankfort-Elberta Area Schools	\$
	74,090	
11000	Berrien Intermediate District	\$
	4,488,648	
11010	Benton Harbor Area Schools	\$
	1,588,343	
11030	Lakeshore School District	\$
	505,985	
11160	Galien Township School District	\$
	148,305	
11200	New Buffalo Area School District	\$
	295,255	
11210	Brandywine Public School District	\$
	430,713	
11240	Berrien Springs Public School District	\$
	1,020,853	
11250	Eau Claire Public Schools	\$
	295,326	
11300	Niles Community School District	\$
	1,886,362	
11310	Buchanan Community School District	\$
	415,327	



11320	Watervliet School District	\$
	333,411	
11330	Coloma Community Schools	\$
	518,321	
11670	Hagar Township School District #6	\$
	3,558	
12000	Branch Intermediate District	\$
	1,591,244	
12010	Coldwater Community Schools	\$
	533,753	
12020	Bronson Community School District	\$
	100,766	
12040	Quincy Community School District	\$
	118,640	
13000	Calhoun Intermediate District	\$
	2,099,031	
13010	Albion Public Schools	\$
	682,812	
13020	Battle Creek Public Schools.	\$
	4,924,981	
13050	Athens Area Schools	\$
	239,614	
13070	Harper Creek Community Schools	\$
	737,397	
13080	Homer Community Schools	\$
	243,747	

13090	Lakeview School District	\$
	672,056	
13095	Mar Lee School District	\$
	22,341	
13110	Marshall Public Schools	\$
	499,126	
13120	Pennfield School District	\$
	295,615	
13130	Tekonsha Community Schools	\$
	84,152	
13135	Union City Community School District	\$
	261,232	
14000	Lewis Cass Intermediate District	\$
	1,156,252	
14010	Cassopolis Public Schools	\$
	359,167	
14020	Dowagiac Union Schools	\$
	886,692	
14030	Edwardsburg Public Schools	\$
	278,671	
14050	Marcellus Community Schools	\$
	133,119	
15000	Charlevoix Emmet Intermediate District	\$
	2,656,494	
15010	Beaver Island Community Schools	\$
	5,291	

15020	Boyne City Public School District	\$
	340,838	
15030	Boyne Falls Public School District	\$
	46,285	
15060	East Jordan Public School District	\$
	124,290	
16000	Cheboygan Otsego Presque Isle ISD	\$
	484,651	
16015	Cheboygan Area Schools	\$
	600,684	
16050	Inland Lakes School District	\$
	121,570	
16070	Mackinaw City Public Schools	\$
	10,133	
16100	Wolverine Community School District	\$
	36,114	
17000	Eastern Upper Peninsula ISD	\$
	686,688	
17010	Sault Ste Marie Area Schools	\$
	1,375,408	
17050	Detour Area Schools	\$
	91,341	
17090	Pickford Public Schools	\$
	50,020	
17110	Rudyard Area Schools	\$
	167,700	

17140	Brimley Area Schools	\$
	339,116	
17160	Whitefish Schools	\$
	7,565	
18000	Clare Gladwin Intermediate District	\$
	824,976	
18010	Clare Public Schools	\$
	283,169	
18020	Farwell Area Schools	\$
	435,856	
18060	Harrison Community Schools	\$
	548,716	
19000	Clinton Intermediate District	\$
	1,408,672	
19010	Dewitt Public Schools	\$
	460,423	
19070	Fowler Public Schools	\$
	73,794	
19100	Bath Community Schools	\$
	207,492	
19120	Ovid Elsie Area Schools	\$
	421,074	
19125	Pewamo Westphalia Community Schools	\$
	123,323	
19140	St. Johns Public Schools	\$
	916,394	

20015	Crawford Ausable Schools	\$
	400,397	
21000	Delta Schoolcraft Intermediate District	\$
	751,556	
21010	Escanaba Area Public Schools	\$
	970,743	
21025	Gladstone Area Schools	\$
	394,007	
21060	Rapid River Public Schools	\$
	95,894	
21065	Big Bay De Noc School District	\$
	76,026	
21090	Bark River Harris School District	\$
	157,932	
21135	Mid Peninsula School District	\$
	70,668	
22000	Dickinson-Iron Intermediate District	\$
	886,487	
22010	Iron Mountain City School District	\$
	235,977	
22025	Norway Vulcan Area Schools	\$
	106,885	
22030	Breitung Township School District	\$
	373,341	
22045	North Dickinson County School District	\$
	108,610	

23000	Eaton Intermediate District	\$
	1,122,375	
23010	Bellevue Community School District	\$
	259,295	
23030	Charlotte Public Schools	\$
	931,778	
23050	Eaton Rapids Public Schools	\$
	933,405	
23060	Grand Ledge Public Schools	\$
	1,871,628	
23065	Maple Valley School District	\$
	406,606	
23080	Olivet Community Schools	\$
	273,708	
23090	Pottersville Public Schools	\$
	223,936	
24020	Harbor Springs School District	\$
	129,569	
24030	Littlefield Public School District	\$
	79,810	
24040	Pellston Public School District	\$
	87,279	
24070	Petoskey Public Schools	\$
	324,563	
25000	Genesee Intermediate District	\$
	6,300,676	

25010	Flint City School District	\$
	18,747,097	
25040	Mt. Morris Consolidated Schools	\$
	1,121,625	
25060	Bendle Public Schools	\$
	404,192	
25070	Genesee School District	\$
	231,806	
25100	Fenton Area Public Schools	\$
	1,111,528	
25110	Kearsley Community Schools	\$
	947,009	
25120	Flushing Community Schools	\$
	973,174	
25130	Atherton Community School District	\$
	299,766	
25140	Davison Community Schools	\$
	1,194,861	
25150	Clio Area School District	\$
	861,180	
25180	Swartz Creek Community Schools	\$
	1,281,780	
25200	Lake Fenton Schools	\$
	459,138	
25210	Westwood Heights School District	\$
	433,487	

25230	Bentley Community School District	\$
	416,919	
25240	Beecher Community School District	\$
	1,684,881	
25250	Linden Community School District	\$
	693,553	
25260	Montrose Community Schools	\$
	803,839	
25280	Lakeville Community School District	\$
	821,048	
26010	Beaverton Rural Schools	\$
	401,648	
26040	Gladwin Community Schools	\$
	427,002	
27000	Gogebic Ontonagon Intermediate District	\$
	558,679	
27010	Bessemer City School District	\$
	93,392	
27020	Ironwood Area Schools	\$
	358,358	
27060	Marenisco School District	\$
	13,053	
27070	Wakefield Township School District	\$
	76,782	
27080	Watersmeet Township School District	\$
	49,036	



28000	Traverse Bay Intermediate District	\$
	4,179,332	
28010	Traverse City School District	\$
	2,902,639	
28035	Buckley Community School District	\$
	85,755	
28090	Kingsley Area School	\$
	233,898	
29000	Gratiot-Isabella RESD	\$
	470,134	
29010	Alma Public Schools	\$
	694,386	
29020	Ashley Community Schools	\$
	74,662	
29040	Breckenridge Community Schools	\$
	304,118	
29050	Fulton Schools	\$
	149,274	
29060	Ithaca Public Schools	\$
	471,693	
29100	St. Louis Public Schools	\$
	421,142	
30000	Hillsdale Intermediate District	\$
	1,766,059	
30010	Camden Frontier Schools	\$
	87,548	

30020	Hillsdale Community Public Schools	\$
	391,242	
30030	Jonesville Community Schools	\$
	109,455	
30040	Litchfield Community Schools	\$
	167,255	
30050	North Adams-Jerome Public Schools	\$
	61,387	
30060	Pittsford Area Schools	\$
	202,030	
30070	Reading Community Schools	\$
	128,460	
30080	Waldron Area Schools	\$
	98,856	
31000	Copper Country Intermediate District	\$
	874,467	
31010	Hancock Public Schools	\$
	177,175	
31020	Adams Township School District	\$
	20,756	
31030	Calumet Public Schools	\$
	314,749	
31050	Chassell Township School District	\$
	627	
31100	Osceola Township School District	\$
	3,877	

31110	Houghton-Portage Township Schools	\$
	176,454	
31130	Lake Linden Hubbell School District	\$
	98,547	
32000	Huron Intermediate District	\$
	1,188,316	
32010	Bad Axe Public Schools	\$
	163,568	
32030	Caseville Public Schools	\$
	29,891	
32060	Harbor Beach Community Schools	\$
	129,415	
32090	Owendale Gagetown Area School District	\$
	49,577	
32130	Port Hope Community Schools	\$
	373	
32170	Uby Community Schools	\$
	103,432	
33000	Ingham Intermediate District	\$
	9,528,160	
33020	Lansing Public School District	\$
	13,878,055	
33040	Dansville Agricultural School	\$
	231,154	
33060	Haslett Public Schools	\$
	533,512	

33070	Holt Public Schools	\$
	1,436,837	
33100	Leslie Public Schools	\$
	487,249	
33130	Mason Public Schools	\$
	1,242,161	
33200	Stockbridge Community Schools	\$
	538,077	
33220	Webberville Community Schools	\$
	160,090	
33230	Williamston Community Schools	\$
	286,724	
34000	Ionia Intermediate District.	\$
	889,225	
34010	Ionia Public Schools	\$
	1,442,559	
34040	Palo Community School District	\$
	22,056	
34080	Belding Area School District	\$
	590,288	
34090	Lakewood Public Schools	\$
	621,134	
34110	Portland Public School District	\$
	512,174	
34120	Saranac Community Schools	\$
	222,518	

35000	Iosco Intermediate District	\$
	746,867	
35010	Oscoda Area Schools	\$
	586,953	
35020	Hale Area Schools	\$
	117,632	
35040	Whittemore Prescott Area School District	\$
	327,352	
36015	Forest Park School District	\$
	104,179	
36025	West Iron County School District	\$
	291,224	
37010	Mt. Pleasant City School District	\$
	1,661,159	
37040	Beal City School	\$
	94,455	
37060	Shepherd Public School District	\$
	537,492	
38000	Jackson Intermediate District	\$
	5,867,626	
38010	Western School District	\$
	368,913	
38020	Vandercook Lake Public Schools	\$
	182,732	
38040	Columbia School District	\$
	272,872	

38050	Grass Lake Community Schools	\$
	112,948	
38080	Concord Community Schools	\$
	136,334	
38090	East Jackson Public Schools	\$
	262,531	
38100	Hanover Horton Schools	\$
	210,862	
38120	Michigan Center School District	\$
	254,956	
38130	Napoleon Community Schools	\$
	162,981	
38140	Northwest School District	\$
	557,439	
38150	Springport Public Schools	\$
	112,368	
38170	Jackson Public Schools	\$
	4,007,741	
39000	Kalamazoo Valley Intermediate District	\$
	2,294,305	
39010	Kalamazoo City School District	\$
	4,620,814	
39020	Climax Scotts Community Schools	\$
	141,525	
39050	Galesburg Augusta Community Schools	\$
	491,658	

39065	Gull Lake Community Schools	\$
	664,438	
39130	Parchment School District	\$
	413,278	
39160	Schoolcraft Community Schools	\$
	278,974	
39170	Vicksburg Community Schools	\$
	606,035	
40020	Forest Area Community School District	\$
	249,638	
40040	Kalkaska Public Schools	\$
	536,507	
41000	Kent Intermediate District	\$
	1,018,499	
41010	Grand Rapids City School District	\$
	30,052,399	
41020	Godwin Heights Public Schools	\$
	776,787	
41025	Northview Public School District	\$
	1,463,294	
41026	Wyoming Public Schools	\$
	3,510,038	
41070	Cedar Springs Public Schools	\$
	1,194,520	
41080	Comstock Park Public Schools	\$
	735,314	

41120	Godfrey Lee Public School District	\$
	625,281	
41130	Grandville Public Schools	\$
	2,285,726	
41140	Kelloggsville Public Schools	\$
	457,811	
41150	Kent City Community Schools	\$
	634,852	
41170	Lowell Area School District	\$
	1,191,193	
41210	Rockford Public Schools	\$
	1,800,045	
41240	Sparta Area Schools	\$
	1,572,479	
43040	Baldwin Community Schools	\$
	301,981	
44000	Lapeer Intermediate District	\$
	1,257,237	
44010	Lapeer Community Schools	\$
	1,606,732	
44020	Almont Community Schools	\$
	195,065	
44050	Dryden Community Schools	\$
	123,137	
44060	Imlay City Community Schools	\$
	650,688	



44090	North Branch Area Schools	\$
	361,607	
45010	Glen Lake Community School District	\$
	147,578	
45020	Leland Public School District	\$
	74,798	
45040	Northport Public School District	\$
	103,011	
46000	Lenawee Intermediate District	\$
	3,474,431	
46010	Adrian City School District	\$
	1,749,075	
46020	Addison Community Schools	\$
	228,919	
46040	Blissfield Community Schools	\$
	216,378	
46050	Britton Macon Area School District	\$
	48,992	
46060	Clinton Community Schools	\$
	156,385	
46070	Deerfield Public Schools	\$
	63,324	
46080	Hudson Area Schools	\$
	206,641	
46090	Madison School District	\$
	254,199	

46100	Morenci Area Schools	\$
	175,792	
46110	Onsted Community Schools	\$
	204,754	
46130	Sand Creek Community Schools	\$
	180,402	
46140	Tecumseh Public Schools	\$
	564,716	
47000	Livingston Intermediate District	\$
	3,740,653	
47010	Brighton Area Schools	\$
	1,608,320	
47030	Fowlerville Community Schools	\$
	458,044	
47060	Hartland Consolidated Schools	\$
	638,713	
47070	Howell Public Schools	\$
	1,500,542	
47080	Pinckney Community Schools	\$
	585,950	
48040	Tahquamenon Area Schools	\$
	267,875	
49010	St. Ignace City School District	\$
	199,400	
49040	Les Cheneaux Community School District	\$
	79,470	

49055	Engadine Consolidated Schools	\$
	48,728	
49070	Moran Township School District	\$
	1,018	
49110	Mackinac Island Public Schools	\$
	19,763	
50000	Macomb Intermediate School	\$
	20,272,402	
50030	Roseville Community Schools	\$
	2,720,948	
50040	Anchor Bay School District	\$
	1,402,309	
50050	Armada Area Schools	\$
	511,195	
50070	Clintondale Community Schools	\$
	1,493,807	
50080	Chippewa Valley Schools	\$
	2,743,571	
50130	Lakeview Public Schools	\$
	1,303,122	
50170	New Haven Community Schools	\$
	443,394	
50180	Richmond Community Schools	\$
	714,909	
50190	Romeo Community Schools	\$
	1,416,793	

51000	Manistee Intermediate District	\$
	805,187	
51020	Bear Lake School District	\$
	68,270	
51045	Kaleva Norman - Dickson Schools	\$
	143,635	
51060	Onekama Consolidated Schools	\$
	10,726	
51070	Manistee Area Public Schools	\$
	309,900	
52000	Marquette Alger Intermediate District	\$
	931,342	
52015	N.I.C.E. Community Schools	\$
	487,900	
52040	Gwinn Area Community Schools	\$
	686,265	
52090	Negaunee Public Schools	\$
	360,838	
52100	Powell Township School District	\$
	26,655	
52110	Republic Michigamme Schools	\$
	111,822	
52160	Wells Township School District	\$
	4,936	
52170	Marquette City School District	\$
	1,176,918	

52180	Ishpeming Public School District	\$
	369,755	
53000	Mason Lake Intermediate District	\$
	1,418,466	
53010	Mason County Central School District	\$
	270,895	
53020	Mason County Eastern School District	\$
	100,000	
53030	Freesoil Community School District	\$
	28,616	
53040	Ludington Area School District	\$
	553,370	
54000	Mecosta Osceola Intermediate District	\$
	1,144,797	
54010	Big Rapids Public Schools	\$
	301,222	
54025	Chippewa Hills School District	\$
	603,473	
54040	Morley Stanwood Community Schools	\$
	298,110	
55000	Menominee Intermediate District	\$
	596,813	
55010	Carney Nadeau Public Schools	\$
	36,825	
55100	Menominee Area Public Schools	\$
	410,849	

55115	North Central Area Schools	\$
	79,050	
55120	Stephenson Area Public Schools	\$
	146,858	
56000	Midland Intermediate District	\$
	778,082	
56020	Bullock Creek School District	\$
	815,270	
56030	Coleman Community School District	\$
	405,291	
56050	Meridian Public Schools	\$
	847,821	
57010	Falmouth Elementary School District	\$
	11,423	
57020	Lake City Area School District	\$
	144,279	
57030	McBain Agricultural School District	\$
	148,767	
58000	Monroe Intermediate District	\$
	5,938,669	
58020	Airport Community School District	\$
	968,294	
58030	Bedford Public School District	\$
	814,625	
58050	Dundee Community Schools	\$
	290,343	

58070	Ida Public School District	\$
	904,674	
58080	Jefferson Schools-Monroe County	\$
	1,122,705	
58090	Mason Consolidated School District	\$
	404,108	
58100	Summerfield School District	\$
	196,514	
58110	Whiteford Agricultural School District	\$
	171,481	
59000	Montcalm Area Intermediate District	\$
	2,405,905	
59020	Carson City Crystal Area School District	\$
	248,985	
59045	Montabella Community School District	\$
	235,193	
59070	Greenville Public Schools	\$
	937,756	
59080	Tri County Area Schools	\$
	309,365	
59090	Lakeview Community Schools	\$
	317,348	
59125	Central Montcalm Public Schools	\$
	488,104	
59150	Vestaburg Community Schools	\$
	142,375	

60010	Atlanta Community Schools	\$
	102,771	
60020	Hillman Community Schools	\$
	89,566	
61000	Muskegon Intermediate District	\$
	1,704,192	
61010	Muskegon City School District	\$
	7,333,232	
61020	Muskegon Heights School District	\$
	1,665,615	
61060	Mona Shores School District	\$
	924,108	
61065	Oakridge Public Schools	\$
	516,766	
61080	Fruitport Community Schools	\$
	1,340,081	
61120	Holton Public Schools	\$
	404,703	
61180	Montague Area Public Schools	\$
	353,974	
61190	Orchard View Schools	\$
	835,211	
61210	Ravenna Public Schools	\$
	289,731	
61220	Reeths Puffer Schools	\$
	1,362,629	



61230	North Muskegon Public Schools	\$
	104,428	
61240	Whitehall School District	\$
	566,527	
62000	Newaygo Intermediate District	\$
	2,002,463	
62040	Fremont Public School District	\$
	413,415	
62050	Grant Public School District	\$
	408,836	
62060	Hesperia Community School District	\$
	258,339	
62070	Newaygo Public School District	\$
	808,680	
62080	Pineview School District.	\$
	6,754	
62090	White Cloud Public Schools	\$
	326,623	
62470	Big Jackson School District	\$
	4,683	
63080	Bloomfield Hills School District	\$
	6,277,282	
63090	Clarenceville School District	\$
	1,050,868	
63110	Oxford Area Community School District	\$
	1,064,497	

63130	Hazel Park City School District	\$
	4,502,785	
63180	Brandon School District	\$
	1,573,574	
63190	Clarkston Community School District	\$
	2,599,329	
63210	Holly Area School District	\$
	1,652,532	
63250	Oak Park City School District	\$
	2,742,617	
63300	Waterford School District	\$
	7,891,782	
64000	Oceana Intermediate District	\$
	459,987	
64040	Hart Public School District	\$
	492,658	
64070	Pentwater Public School District	\$
	50,550	
64080	Shelby Public Schools	\$
	308,687	
64090	Walkerville Rural Community Schools	\$
	178,928	
65045	West Branch-Rose City Area Schools	\$
	597,592	
66045	Ewen-Trout Creek Consolidated Schools	\$
	125,613	

66050	Ontonagon Area Schools	\$
	117,972	
66070	White Pine School District	\$
	38,434	
67020	Evart Public Schools	\$
	222,644	
67050	Marion Public Schools	\$
	120,994	
67055	Pine River Area Schools	\$
	210,897	
67060	Reed City Area Public Schools	\$
	225,449	
68010	Mio Au Sable Schools	\$
	188,436	
68030	Fairview Area School District	\$
	53,298	
69020	Gaylord Community Schools	\$
	361,967	
69030	Johannesburg-Lewiston Schools	\$
	302,444	
69040	Vanderbilt Area School	\$
	78,924	
70000	Ottawa Intermediate District	\$
	3,134,623	
70040	Allendale Public School District	\$
	304,155	

70120	Coopersville Public School District	\$
	547,307	
70175	Jenison Public Schools	\$
	1,174,903	
70190	Hudsonville Public School District	\$
	642,115	
70300	Spring Lake Public School District	\$
	654,764	
71050	Onaway Area Community School District	\$
	62,371	
71060	Posen Cons School District	\$
	89,023	
71080	Rogers City Area Schools	\$
	98,801	
72000	C O O R Intermediate District	\$
	1,535,012	
72010	Gerrish Higgins School District	\$
	315,748	
73000	Saginaw Intermediate District	\$
	3,752,177	
73010	Saginaw City School District	\$
	9,709,110	
73030	Carrollton School District	\$
	757,628	
73080	Buena Vista School District	\$
	774,237	

73110	Chesaning Union Schools	\$
	586,935	
73170	Birch Run Area School District	\$
	442,083	
73180	Bridgeport-Saulding Community Schools	\$
	947,910	
73200	Freeland Community School District	\$
	245,297	
73210	Hemlock Public School District	\$
	463,950	
73230	Merrill Community School District	\$
	313,949	
73240	St. Charles Community Schools	\$
	217,281	
73255	Swan Valley School District	\$
	404,732	
74000	St. Clair Intermediate District	\$
	2,495,753	
74010	Port Huron Area School District	\$
	5,768,925	
74030	Algonac Community School District	\$
	683,103	
74040	Capac Community School District	\$
	637,134	
74100	Marysville Public School District	\$
	541,674	

74120	Memphis Community Schools	\$
	236,433	
74130	Yale Public Schools	\$
	364,744	
75000	St. Joseph Intermediate District	\$
	1,557,997	
75010	Sturgis Public School District	\$
	667,172	
75020	Burr Oak Community School District	\$
	31,806	
75030	Centreville Public Schools	\$
	239,843	
75040	Colon Community School District	\$
	136,247	
75050	Constantine Public School District	\$
	295,041	
75060	Mendon Community School District	\$
	220,774	
75070	White Pigeon Community School District	\$
	166,233	
75080	Three Rivers Community Schools	\$
	903,838	
75100	Nottawa Community School	\$
	30,147	
76000	Sanilac Intermediate District	\$
	694,073	

76060	Brown City Community School District	\$
	174,912	
76070	Carsonville-Port Sanilac School District	\$
	93,165	
76080	Croswell Lexington Community Schools	\$
	410,871	
76090	Deckerville Community School District	\$
	118,766	
76140	Marlette Community Schools	\$
	284,291	
76180	Peck Community School District	\$
	35,198	
76210	Sandusky Community School District	\$
	308,221	
77010	Manistique Area Schools	\$
	310,466	
78000	Shiawassee RESD	\$
	3,184,986	
78020	Byron Area Schools	\$
	191,551	
78030	Durand Area Schools	\$
	540,453	
78040	Laingsburg Community School District	\$
	114,818	
78060	Morrice Area Schools	\$
	85,394	

78070	New Lothrop Area Public School District.	\$
	105,582	
78080	Perry Public School District	\$
	273,749	
78100	Corunna Public School District	\$
	454,571	
78110	Owosso Public Schools	\$
	885,887	
79000	Tuscola Intermediate District	\$
	1,095,027	
79010	Akron Fairgrove Schools	\$
	76,917	
79020	Caro Community Schools	\$
	476,124	
79030	Cass City Public Schools	\$
	250,135	
79080	Kingston Community School District	\$
	27,113	
79090	Mayville Community School District	\$
	267,475	
79100	Millington Community Schools	\$
	258,045	
79110	Reese Public Schools	\$
	164,035	
79145	Unionville Sebawaing Area Schools	\$
	98,025	



79150	Vassar Public Schools	\$
	271,839	
80000	Van Buren Intermediate District	\$
	3,864,085	
80010	South Haven Public Schools	\$
	619,864	
80020	Bangor Public Schools	\$
	246,071	
80040	Covert Public Schools	\$
	179,845	
80050	Decatur Public Schools	\$
	214,070	
80090	Bloomington Public School District	\$
	303,179	
80110	Gobles Public School District	\$
	145,320	
80120	Hartford Public School District	\$
	475,713	
80130	Lawrence Public School District	\$
	94,596	
80140	Lawton Community School District	\$
	190,087	
80150	Mattawan Consolidated School District	\$
	312,724	
80160	Paw Paw Public School District	\$
	301,501	

81000	Washtenaw Intermediate District	\$
	2,724,063	
81040	Chelsea School District	\$
	518,995	
81050	Dexter Community School District	\$
	962,834	
81070	Lincoln Consolidated School District	\$
	1,492,337	
81080	Manchester Community School District	\$
	472,632	
81100	Milan Area Schools	\$
	572,621	
81120	Saline Area School District	\$
	1,624,108	
81140	Whitmore Lake Public School District	\$
	496,133	
81150	Willow Run Community Schools	\$
	2,071,518	
82000	Wayne Intermediate District	\$
	8,287,172	
82010	Detroit City School District	\$
	118,608,866	
82040	Dearborn Heights School District #7	\$
	849,305	
82045	Melvindale Allen Park Schools	\$
	836,448	

82050	Garden City School District	\$
	5,839,085	
82060	Hamtramck Public Schools	\$
	1,734,517	
82070	Highland Park City Schools	\$
	1,875,555	
82080	Inkster City School District	\$
	1,252,453	
82090	Lincoln Park Public Schools	\$
	2,194,776	
82110	Redford Union School District	\$
	5,630,439	
82120	River Rouge City Schools	\$
	885,742	
82130	Romulus Community Schools	\$
	2,366,586	
82150	Taylor School District	\$
	6,396,657	
82160	Wayne-Westland Community School District	\$
	14,003,645	
82170	Wyandotte City School District	\$
	3,732,656	
82180	Flat Rock Community Schools.	\$
	549,211	
82240	Westwood Community Schools..	\$
	1,762,599	

82250	Ecorse Public School District	\$
	656,734	
82340	Huron School District	\$
	1,302,779	
82405	Southgate Community School District	\$
	1,037,284	
82430	Van Buren Public Schools	\$
	3,312,445	
83000	Wexford Missaukee Intermediate District	\$
	1,625,243	
83010	Cadillac Area Public Schools	\$
	468,432	
83060	Manton Consolidated Schools	\$
	118,182	
83070	Mesick Consolidated School District	\$
	88,208	

(2) This section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts designated in this section in any litigation or future litigation with a district or intermediate district. In addition, this section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

**Compiler's note:**In the above table, the entry for "Bridgeport-Saulding Community Schools" should evidently read "Bridgeport-Spaulling Community Schools."

388.1611iBorrowing money and issuing bonds.

Sec. 11i. (1) In addition to any other authority granted under law, an eligible district or intermediate district may borrow from the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1077, an amount equal to 1/2 of the amount listed for the district or intermediate district in section

11h, in anticipation of the receipt of the payments appropriated under section 11g, and may authorize by resolution of its governing body and issue its bonds to evidence its obligations to the Michigan municipal bond authority on the terms and with those provisions as are provided by resolution of the board of the district or intermediate district and as are acceptable to the Michigan municipal bond authority if the bonds are accompanied by an opinion of bond counsel acceptable to the Michigan municipal bond authority to the effect that the interest on the bonds is excluded from gross income for federal income tax purposes. For the purposes of this section, an eligible district or intermediate district is a district or intermediate district, other than a district or intermediate district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g and that notifies the department of treasury not later than 5 p.m. eastern daylight time on June 30, 1998, in the form and manner prescribed by the department of treasury, that the district or intermediate district will borrow money and issue bonds under this section or is a district, other than a district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g, that has a membership of less than 2,000 full-time equated pupils, that has not submitted to the department of treasury a letter stating its intent not to borrow from the Michigan municipal bond authority, and that notified the department of treasury not later than 5 p.m. eastern daylight time on July 14, 1998, in the form and manner prescribed by the department of treasury, that the district will borrow money and issue bonds under this section. A district or intermediate district may pledge and assign to the Michigan municipal bond authority, as security for the bonds, all of the payments appropriated to it under section 11g but may not otherwise pledge or assign those payments. Bonds issued under this section are not subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) Proceeds of bonds issued under this section shall be made available to districts and intermediate districts on or after November 15, 1998. Each district and intermediate district shall use proceeds of bonds issued by it under this section only for a purpose for which bonds may be issued under section 1351a of the revised school code, MCL 380.1351a.

(3) Bonds issued under this section do not constitute a general obligation or debt of a district or intermediate district within the meaning of any constitutional or statutory debt limitation.

(4) This section shall be construed as cumulative authority for the exercise of the powers granted in this section and shall not be construed to repeal any existing law. The purpose of this section is to create full and complete additional and alternate methods for the exercise of existing powers, and the powers conferred by this section are not affected or limited by any other statute or by any charter or incorporating document.

(5) A pledge made by a district or intermediate district under this section is valid and binding from the time the pledge is made. The revenue or other money pledged under this section and thereafter received by a district or intermediate district is immediately subject to the lien of the pledge without physical delivery of the revenue or money or any further act. The lien of such a pledge is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district, irrespective of whether that party has notice of the pledge. The resolution or any other instrument by which a pledge is created is not required to be filed or recorded in order to establish and perfect a lien or security interest in the property pledged.

(6) Bonds issued under this section are not in any way a debt or liability of this state; do not create or constitute any indebtedness, liability, or obligation of this state; are not and do not constitute a pledge of the faith and credit of this state; and shall contain on their face a statement to that effect.

**History:** Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1612 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed section pertained to aggregate unequalized revenue.

388.1613 Apportionments and limitations of apportionments; basis; counting pupil membership and professionals.

Sec. 13. Except as otherwise provided in this act, the apportionments and limitations of the apportionments made under this act shall be made on the membership and number of teachers and other professionals approved by the superintendent of public instruction employed as of the pupil membership count day of each year and on the taxable value and the operating millage of each district for the calendar year. In addition, a district maintaining school during the entire year, as provided in section 1561 of the revised school code, being section 380.1561 of the Michigan Compiled Laws, shall count memberships and teachers pursuant to rules promulgated by the state board.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 95, Imd. Eff. July 13, 1993;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1614 Defective returns; duties of department.

Sec. 14. If the returns from an intermediate district or district upon which a statement of the amount to be disbursed or paid are defective, making it impracticable to ascertain the apportionment to be disbursed or paid, the department shall withhold the amount of the apportionment that cannot be ascertained until the department is able to ascertain by the best evidence available the facts upon which the ratio and amount of the apportionment depend, and then shall make the apportionment accordingly.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994.

388.1615Apportionment of deficiency or deduction of excess in remaining apportionment; state aid overpayments to districts other than overpayments for special education; deduction due to adjustment as result of audit or incorrect payment; funding expenditures caused by write-off of prior year accruals.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the remaining apportionments. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the remaining apportionments. Notwithstanding any other provision in this act, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act other than a special education or special education transportation payment. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments within the next fiscal year after the fiscal year in which the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment if the district would otherwise experience a significant hardship.

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

(4) Expenditures made by the department under this act that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1616 Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to allowance greater than actual amounts paid prohibited.

388.1617 Repealed. 1992, Act 148, Eff. Aug. 1, 1992.

**Compiler's note:**The repealed section pertained to amount to be distributed in installments to districts.

388.1617a Withholding payment district or intermediate district entitled to receive under act; extent; plan for financing outstanding obligation defaulted upon by district or intermediate district; use of amounts withheld; agreement assigning or pledging payment; statement; "trustee of a pooled arrangement" defined.

Sec. 17a. (1) The department may withhold all or part of any payment that a district or intermediate district is entitled to receive under this act to the extent the withholdings are a component part of a plan, developed and implemented pursuant to chapter IX of the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 139.1 to 139.3 of the Michigan Compiled Laws, or other statutory authority, for financing an outstanding obligation upon which the district or intermediate district defaulted. Amounts withheld shall be used to pay, on behalf of the district or intermediate district, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the district or intermediate district defaulted.

(2) Under an agreement entered into by a district or intermediate district assigning all or a portion of the payment that it is eligible to receive under this act to the Michigan municipal bond authority or to the trustee of a pooled arrangement or pledging such amount for payment of an obligation it incurred with the Michigan municipal bond authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan municipal bond authority or a trustee designated by the authority or to the trustee of a pooled arrangement the amount of the payment which is assigned or pledged under the agreement. Notwithstanding the payment dates prescribed by this act for distributions under this act, the state treasurer may advance all or part of a payment which is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a district or intermediate district and the Michigan municipal bond authority, the payment which the district or intermediate district is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan municipal bond authority. This subsection does not require the state to make an appropriation to any school district or intermediate school district and shall not be construed as creating an



indebtedness of the state, and any agreement made pursuant to this subsection shall contain a statement to that effect. As used in this subsection, “trustee of a pooled arrangement” means the trustee of a trust approved by the state treasurer and, subject to the conditions and requirements of that approval, established for the purpose of offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued by districts or intermediate districts under section 1225 of the revised school code, being section 380.1225 of the Michigan Compiled Laws. If a trustee applies to the state treasurer for approval of a trust for the purposes of this subsection, the state treasurer shall approve or disapprove the trust within 10 days after receipt of the application.

**History:** Add. 1983, Act 37, Imd. Eff. May 10, 1983;—Am. 1985, Act 142, Eff. Jan. 13, 1986;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1617b Amounts to be distributed in installments to districts; statement; payments; warrant; adjustments; grant payments; advance release of funds.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare a statement of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the statement to the state treasurer, and the state treasurer shall pay the installments on each of those dates or on the next business day following each of those dates. Except as otherwise provided in this act, the portion of the district’s or intermediate district’s state fiscal year entitlement to be included in each installment shall be 1/11. However, for 1997-98 only, there shall not be an installment paid on August 20, and the portion to be included in each installment shall be 11.11% for the October and November payments; 9.72% for the December, January, February, March, April, May, and June payments; and 9.74% for the July payment. The payments due to a district in 1997-98 on April 20, May 20, June 20, and July 20 pursuant to this section each shall be reduced by an amount equal to 1/4 of the district’s total additional payments in 1996-97 under former section 20c. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the statement and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the statement. The department may make adjustments in payments made under this section through additional payments when changes in law or

errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise specified in this act, grant payments under this act shall be paid according to subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the director of management and budget, may authorize an advance release of funds due a district or intermediate district under this act. Such an advance shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.

**History:**Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1617cRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to grant payments.

388.1618Application of money received under act; determining reasonableness of expenditures; withholding apportionment for violation; audit; reports; retention of property by public school academy; failure to comply with subsections (2) and (3).

Sec. 18. (1) Except as provided in another section of this act, each district or other entity shall apply the money received by the district or entity under this act to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under article 2 or intermediate district under article 8 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this act the apportionment otherwise due for the fiscal year following the discovery by the department of a violation by the recipient.

(2) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually at the expense of the district

or intermediate district, as applicable, by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report. A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid. The pupil accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department. Except as otherwise provided in this subsection, a district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the intermediate district shall forward the annual financial audit reports for its constituent districts and for the intermediate district, and the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year. The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws. Not later than December 1 of each year, the department shall notify the department of management and budget and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(3) Each district and intermediate district shall file with the department by November 15 of each year an annual comprehensive financial report, known as "Form B", on a form and in the manner prescribed by the department.

(4) If a district that is a public school academy purchases property using money received under this act, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

(5) If a district or intermediate district does not comply with subsection (2) or (3), the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (2) and (3). If the district or intermediate district does not comply with subsections (2) and (3) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1618aGrant funds to be expended by end of school year; effect of funds not expended; return of unexpended funds.

Sec. 18a. Grant funds awarded and allotted to a district or intermediate district, unless otherwise specified in this act, shall be expended by the grant recipient before the end of the school fiscal year immediately following the fiscal year in which the funds are received. If a grant recipient does not expend the funds received under this act before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.

**History:**Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1619Compliance; information to be provided for annual progress report; failure to comply with certain requirements; failure to meet accreditation standards.

Sec. 19. (1) A district shall comply with the requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, being sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws, commonly referred to as “public act 25 of 1990”.

(2) Each district and intermediate district shall provide to the department, in a form and manner prescribed by the department, information necessary for the development of an annual progress report on the implementation of sections 1204a, 1277, 1278, and 1280 of the revised school code, commonly referred to as “public act 25 of 1990”, and on the achievement of national education goals.

(3) If a district or intermediate district fails to meet the requirements of subsection (2) and sections 1204a, 1277, and 1278 of the revised school code, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those sections. If the district or intermediate district does not comply with all of those sections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those sections.

(4) If a school in a district is not accredited under section 1280 of the revised school code or is not making satisfactory progress toward meeting the standards for that accreditation, the department shall withhold 5% of the total funds for which the district qualifies under this act that are attributable to pupils attending that school. The department shall place the amount withheld from a district under this subsection in an escrow account and shall not release the funds to the district until the district submits to the department a plan for achieving accreditation for each of the district's schools that are not accredited under section 1280 of the revised school code or are not making satisfactory progress toward meeting the standards for that accreditation.

**History:**Add. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1619a-388.1619cRepealed.1990, Act 207, Eff. Oct. 1, 1990.

**Compiler's note:**Section 3 of Act 207 of 1990 purported to repeal §§ 388.1619a to 388.1619d. However, § 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.

The repealed sections pertained to core curriculum, school improvement, and standards for accreditation.

## ARTICLE 2

388.1620Foundation allowance per membership pupil; payments to public school academies and university schools; definitions.

Sec. 20. (1) For 1997-98 and 1998-99, the basic foundation allowance is \$5,462.00 per membership pupil. For 1999-2000, the basic foundation allowance is \$5,652.00 per membership pupil.

(2) From the appropriation in section 11, there is allocated for 1997-98 an amount not to exceed \$8,022,595,100.00, for 1998-99 an amount not to exceed \$7,970,372,900.00, and for 1999-2000 an amount not to exceed \$8,314,985,400.00, to guarantee each district a foundation allowance per membership pupil other than special education pupils and to make payments under this section to public school academies and university schools for membership pupils other than special education pupils. The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1). If the maximum amount allocated under this section is not sufficient to fully fund payments under this section, and before any proration required under section 11, the amount of the payment to each district, university school, and public school academy shall be prorated by reducing by an equal percentage the total payment under this section to each district, university school, and public school academy. However, if the department determines that proration will be required under this section, the superintendent of public instruction shall notify the department of management and

budget, and the department of management and budget shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this section because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the department of management and budget, the department shall not reduce any payments under this section because of proration. The legislature may prevent proration under this section from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to ensure full foundation allowance funding for each district, university school, and public school academy.

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$50.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance in the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) For a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall

receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) For 1998-99, each district's foundation allowance shall be at least \$5,170.00.

(4) To ensure that a district receives the district's foundation allowance, there is allocated to each district a state portion of the district's foundation allowance in an amount calculated under this subsection. The state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or \$6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, except for a district that was notified of such a millage reduction in 1996 after the last permissible date to schedule an election to override that millage reduction, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For each fiscal year after 1994-95, the \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00.

(5) The allocation under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled pursuant to section 105 in a district other than the pupil's district of residence but within the same intermediate district, the allocation under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence.

(6) Subject to subsection (7) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, there is allocated under this section each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to the authorizing body that is the fiscal agent for the public school academy for forwarding to the public school academy, or to the board of the public university operating the university school, an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the sum of the basic foundation allowance under subsection (1) plus \$500.00, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations in 1997-98, 1998-99, or 1999-2000, as applicable, after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 1284 of the revised school code, MCL 380.1284. The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. Also, a public school academy that begins operations in 1997-98, 1998-99, or 1999-2000, as applicable, after the pupil membership count day shall not receive any funds under this section unless the public school academy provides for the school year a number of hours of pupil instruction that is at least in the same proportion to the minimum number of hours of pupil instruction required under section 1284 of the revised school code, MCL 380.1284, as the number of days of pupil instruction provided by the public school academy for the school year is in proportion to the number of days of pupil instruction required under section 1284 of the revised school code, MCL 380.1284.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil allocated under this section to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance



authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive a payment under subsection (9); if the number of mills the district may levy on a homestead and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental payment under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental payment under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a homestead or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a homestead and qualified agricultural property are exempt and not to levy school operating taxes on a homestead and qualified agricultural property as provided in section 1211(1) of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is allocated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental payment in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a homestead and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. A district shall not receive a separate supplemental payment

under this subsection for a fiscal year other than 1997-98 unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a homestead or qualified agricultural property. Beginning with the 1998-99 fiscal year, if in the calendar year ending in the fiscal year a district does not levy 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a homestead or qualified agricultural property, the payment under this subsection will be reduced by the same percentage as the millage actually levied compares to the 18 mills or the number of mills levied in 1993, whichever is less.

(10) A district or public school academy may use any funds allocated under this section in conjunction with any federal funds for which the district or public school academy otherwise would be eligible.

(11) For a district that is formed or reconfigured after June 1, 1994 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original districts. If an affected district's foundation allowance is less than the basic foundation allowance, the amount of that district's foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance.

(12) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(13) State payments related to payment of the foundation allowance for a special education pupil are not funded under this section but are instead funded under section 51a.

(14) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, except for the January 1998 revenue estimating conference, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school

year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 1998-99 only, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(15) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (14)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(16) If the pupil membership, excluding intermediate district membership, for the school year ending in the next state fiscal year is estimated at the January revenue estimating conference to be greater than 101% of the pupil membership, excluding intermediate district membership, for the school year ending in the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget in the subsequent state fiscal year incorporate a general fund/general purpose allocation that is greater than the general fund/general purpose

allocation in the current fiscal year, to support the estimated membership in excess of 101% of the membership in the current year.

(17) As used in this section:

(a) “Combined state and local revenue per membership pupil” means the aggregate of the district’s state school aid received by or paid on behalf of the district under this section and the district’s local school operating revenue, divided by the district’s membership excluding special education pupils.

(b) “Current state fiscal year” means the state fiscal year for which a particular calculation is made.

(c) “Homestead” means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(d) “Immediately preceding state fiscal year” means the state fiscal year immediately preceding the current state fiscal year.

(e) “Local school operating revenue” means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(f) “Local school operating revenue per membership pupil” means a district’s local school operating revenue divided by the district’s membership excluding special education pupils.

(g) “Membership” means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(h) “Qualified agricultural property” means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(i) “School operating purposes” means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(j) “School operating taxes” means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(k) “Taxable value per membership pupil” means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district’s membership excluding special education pupils for the school year ending in the current state fiscal year.

**History:** Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 172, Imd. Eff. June 17, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**The words "1/3 of" in subsection (20)(a)(i)(Q), as amended by Act 283 of 1994, were vetoed by the governor on July 9, 1994.

The last sentence of subsection (9), and subsections (18) and (19), as amended by Act 360 of 1994, were vetoed by the governor on December 22, 1994.

Subsection (11), as amended by Act 130 of 1995, was vetoed by the governor on June 30, 1995.

388.1620aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to determination of district's combined state and local revenue per membership pupil.

388.1620bAllocation for 1998-99; payment amounts.

Sec. 20b. (1) From the state school aid fund money appropriated in section 11 for 1998-99, there is allocated for 1998-99 only an amount not to exceed \$96,350,000.00 for payments to districts and intermediate districts under this section.

(2) The total amount allocated to districts under this section is \$95,600,000.00. The amount of the payment to each district under this section shall be as follows:

(a) For a district with a 1998-99 foundation allowance under section 20 at least equal to the amount of the 1998-99 basic foundation allowance under section 20, an amount equal to \$51.00 per 1998-99 membership pupil of the district.

(b) For a district with a 1998-99 foundation allowance under section 20 of less than the amount of the 1998-99 basic foundation allowance under section 20, an amount per 1998-99 membership pupil of the district equal to the amount calculated by multiplying 2 times \$51.00 and subtracting from that product the product of \$51.00 times the quotient of (the district's 1998-99 foundation allowance under section 20 minus \$5,170.00) divided by \$292.00.

(3) The total amount allocated to intermediate districts under this section is \$750,000.00. The amount of the payment to each intermediate district under this section shall be an amount equal to 0.9% of the amount of funding actually received by the intermediate district under section 81(1) for 1997-98.

(4) Notwithstanding section 17b, the payments due to a district or intermediate district under this section shall be made in 7 equal installments and shall be included in the monthly payments under section 17b for each month from February 1999 through August 1999.

**History:**Add. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**Former § 388.1620b, which pertained to districts for 1994-5, was repealed by Act 283 of 1994, Eff. Oct. 1, 1994.

388.1620cRepealed.1997, Act 142, Imd. Eff. Nov. 19, 1997.

**Compiler's note:**The repealed section pertained to additional payments to districts and public school academies for 1997-98.

388.1620dRequirements for final determination under §§ 388.1620 and 388.1620a.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

**History:**Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**Subsection (2), as amended by Act 300 of 1996, was vetoed by the governor on June 19, 1996.

Sec. 20d, as amended by Act 372 of 1996, was vetoed by the governor on July 3, 1996.

Subdivision (c), as amended by Act 93 of 1997, was vetoed by the governor on August 1, 1997.

388.1620e, 388.1620f Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed sections pertained to state portion of district's foundation allowance and allocation to instructional program operated by public university.

388.1620g Repealed. 1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to additional payments for 1995-96.

388.1620h, 388.1620i Repealed. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:** The repealed sections pertained to payments for special education pupils for 1995-96 and funding for districts experiencing large pupil membership growth.

388.1621, 388.1621a Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed sections pertained to school improvement plans, annual education report, accreditation, and core curriculum; employability skills assessment programs; and allocations to districts.

388.1621b Tuition and fee support for pupil attending postsecondary institution.

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 20 to support the attendance of a district pupil at an eligible postsecondary institution under the postsecondary enrollment options act, Act No. 160 of the Public Acts of 1996, being sections 388.511 to 388.524 of the Michigan Compiled Laws.

(2) To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by Act No. 160 of the Public Acts of 1996. A district is not required to pay transportation costs, parking costs, or activity fees.

(3) A district shall pay to the eligible postsecondary institution on behalf of an eligible student an amount equal to the lesser of the amount of the eligible charges described in subsection (2) or the prorated percentage of the state portion of the foundation allowance paid on behalf of that eligible student under section 20, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under this section and Act No. 160 of the Public Acts of 1996, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under this section and Act No. 160 of the Public Acts of 1996 and that are not paid by the district. As used in this subsection, "local school operating revenue" means that term as defined in section 20.

(4) As used in this section, "eligible course", "eligible student", and "eligible postsecondary institution" mean those terms as defined in section 3 of Act No. 160 of the Public Acts of 1996, being section 388.513 of the Michigan Compiled Laws.

**History:** Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1996, Act 161, Eff. July 1, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1621cRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to counting certain funds and payments for purposes of § 388.1621(5).

388.1621dRepealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to reorganization planning grant.

388.1621eRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to allocations to districts.

388.1622Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to allocations to districts.

388.1623Instructional program operated by public university.

Sec. 23. (1) An instructional program operated under this section by a public university for pupils in grades K-6, 6-8, or 9-12, or a combination of those grades, may be funded under this act as a district if all of the following requirements are met:

(a) The public university has submitted an application under this section, or submitted an application to the department in a prior fiscal year under former section 23c, in the form and manner prescribed by the department. The application shall include, or have included, at least all of the following:

(i) Identification of the proposed grade levels for which the university plans to operate an instructional program.

(ii) Identification of the districts from which pupils would be eligible to attend the instructional program.

(iii) A description of the process for the random selection of pupils for enrollment.

(iv) A description of the proposed curriculum features that would be given highest priority in the instructional program.

(b) The instructional program complies with the requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred to as "public act 25 of 1990".

(2) An instructional program operated under this section is eligible in the same manner as a district or public school academy for all applicable categorical and federal aid.

(3) An employee of a public university employed in an instructional program operated under this section is not an employee of a school district for purposes of 1937 (Ex Sess) PA 4, MCL 38.71 to 38.191.



(4) An employee of a public university employed in an instructional program operated under this section is not eligible to be a member of the public school employees retirement system established by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, unless other employees of the university are eligible for membership in that retirement system.

**History:**Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**Former § 388.1623, which pertained to funding districts eligible for state school aid under §§ 388.1631, 388.1636, and 388.1646, was repealed by Act 197 of 1989, Eff. Oct. 1, 1989.

388.1623a–388.1623cRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to schools of choice, grants for “tec-choices” programs, and grants to public universities.

388.1623dRepealed.1994, Act 360, Eff. June 30, 1995;—1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to alternative public school established and operated by intermediate school district.

388.1623eRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to prohibited funding to public school academies.

388.1624Allocation for pupil assigned to juvenile detention facility or child caring institution; added cost; operation of on-grounds educational program; funding special education pupils.

Sec. 24. (1) Subject to subsection (2), from the appropriation in section 11, there is allocated for 1997-98, for 1998-99, and for 1999-2000 to the educating district or intermediate district an amount equal to 100% of the added cost each fiscal year for educating all pupils assigned by a court or the family independence agency to reside in or to attend a juvenile detention facility or child caring institution licensed by the family independence agency and approved by the department to provide an on-grounds education program. The total amount to be paid under this section for added cost shall not exceed \$7,000,000.00 each fiscal year for 1997-98 and 1998-99 and shall not exceed \$7,900,000.00 for 1999-2000. For the purposes of this section, “added cost” shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(2) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational

program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution offered in 1991-92 an on-grounds educational program longer than 181 days but not longer than 233 days.

(3) Special education pupils funded under section 53a shall not be funded under this section.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Subsection (3) of Sec. 24, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Subsection (3) of Sec. 24, as amended by Act 212 of 1986, reads as follows:

“(3) Special education pupils funded under section 53 shall not be counted under this section.”

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that “the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill....”

388.1624aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to counting pupils residing in nonoperating districts attached to operating districts.

388.1624bParents or legal guardian residing in different districts; enrollment of child.

Sec. 24b. For the purposes of this act, without regard to whether a parent or legal guardian has custody of the child, if a child's parents, or a child's parent or parents and the child's legal guardian, reside in different districts and if the child meets the applicable age requirements, the child may enroll in a district in which either of the child's parents resides, or in which the child's legal guardian resides. When a child described in this section enrolls in a district under this section, that district is the child's district of residence for the purposes of this act.

**History:**Add. 1996, Act 372, Eff. Sept. 1, 1996.

388.1625Enrollment of pupil expelled under § 380.1311 in alternative education program; report; payment; information provided to department.

Sec. 25. If a pupil is enrolled in an alternative education program operated by an intermediate district or district for middle school or high school pupils, or both, who have been expelled under section 1311 of the revised school code, MCL 380.1311, the intermediate district or district operating the program shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the intermediate district or district operating the program an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the alternative

education program compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the intermediate district or district operating the alternative education program. The district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program shall provide to the department all information the department requires to enforce this section.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**Former § 388.1625, which pertained to allocations to districts with nonschool operating property taxes, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

### 388.1625aPayment of amount to educating district.

Sec. 25a. If a pupil described in section 6(6)(g) enrolls pursuant to section 6(6)(g) during a school year in a district other than the district in which the pupil is counted in membership, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

**History:**Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

### 388.1626Receipt or reduction of funds by district or intermediate district.

Sec. 26. A district or intermediate district receiving money pursuant to 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, shall have its funds received under section 20, 56, or 62 reduced by an amount equal to the added local money.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 25, Imd. Eff. Apr. 5, 1983;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1990, Act 355, Imd. Eff. Dec. 26, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

388.1626aReimbursements to districts, intermediate districts, and school aid fund pursuant to § 125.2692; adjustments.

Sec. 26a. From the general fund appropriation in section 11, there is allocated for 1997-98, for 1998-99, and for 1999-2000 an amount not to exceed \$6,584,200.00 each fiscal year to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 1997, 1998, and 1999, respectively. This reimbursement shall be made by adjusting payments under section 20 to eligible districts, adjusting payments under section 56, 62, or 81 to eligible intermediate districts, and adjusting the state school aid fund. The adjustments shall be made not later than 60 days after the department of treasury certifies to the department and to the department of management and budget that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

**History:**Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1627, 388.1628Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to allocations to districts and districts in which military air bases are closed.

388.1628aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to transitional allocations to closed federal military installations.

388.1629Repealed.1993, Act 175, Eff. Oct. 1, 1993.

**Compiler's note:**The repealed section pertained to foreign born pupils.

### ARTICLE 3

388.1631Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to comprehensive compensatory education programs.

388.1631aFunding to eligible districts and public school academies.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 1997-98 an amount not to exceed \$250,000,000.00, for 1998-99 an amount not to exceed \$260,000,000.00, and for 1999-2000 an amount not to exceed \$269,100,000.00, for payments to eligible districts and eligible public school academies under this section. Subject to subsection (11), the amount of the additional allowance under this section shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769, 1769b to

1769c, and 1769f to 1769h, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the national school lunch act.

(2) To be eligible to receive funding under this section, a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, is less than or equal to \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the district's foundation allowance or public school academy's per pupil allocation under section 20, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, or of the public school academy's per membership pupil allocation under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil allocation under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils and for the purposes of subsection (5) or section 31c and shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may be conducted using a tutorial method, with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, “to supplant another program” means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program. A district or public school academy that receives funds under this section and that operates a school lunch program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school lunch program.

(6) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, and the number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(7) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(8) Subject to subsection (5), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsection (5), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

(9) For 1997-98, a district that is located in a county with a population of more than 350,000 and less than 480,000 and that has more than 10,000 pupils in membership shall expend funds received under this section, other than the amount described in subsection (5), attributable to pupils enrolled in grades K-3 for the purpose of reducing class size in grades K-3 in the district to an average of not more than 17 pupils per class, with not more than 19 pupils in any particular class, in each school building in the district in which pupils described in subsection (1) constitute at least 25% of the total number of pupils in the building.

(10) A district or public school academy may use funds received under this section for adult high school completion, general education development (G.E.D.) test preparation, or adult basic education programs described in section 107.

(11) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(12) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance

under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(13) Beginning in 1999-2000, a district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section for 1999-2000 because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 5.75% of the district's foundation allowance or public school academy's per pupil allocation under section 20, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00.

(14) Beginning in 1999-2000, the total amount allocated under this section for a fiscal year shall be increased from the total amount allocated under this section for the immediately preceding fiscal year by the same percentage as the percentage increase in the amount of the basic foundation allowance under section 20 for that fiscal year from the amount of the basic foundation allowance under section 20 for the immediately preceding fiscal year.

(15) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable MEAP test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of moderate on the most recent MEAP reading test for which results for the pupil have been received, did not achieve at least a score of moderate on the most recent MEAP mathematics test for which results for



the pupil have been received, or achieved less than 50% of the objectives on the most recent MEAP science test for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language, communication skills, or mathematics.

**History:**Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1631cPilot program grants; planning; maintenance or establishment of small classes in grades K to 3; eligibility; application; allocation and use of funds; study.

Sec. 31c. (1) From the state school aid fund appropriation in section 11, there is allocated for 1997-98 an amount not to exceed \$100,000.00 for planning grants to districts that are awarded pilot program grants under subsections (2) to (8) for 1998-99. An application for a grant under this subsection shall be in the form and manner prescribed by the superintendent of public instruction. The amount of each grant under this subsection shall be in the same proportion to the total allocation under this subsection as the proportion that the amount of the district's grant under subsections (2) to (8) bears to the total allocation under subsection (2). These planning grants shall be distributed not later than April 20, 1998.

(2) From the state school aid fund appropriation in section 11, there is allocated for 1998-99 and for 1999-2000 an amount not to exceed \$19,750,000.00 each fiscal year for grants to eligible districts for pilot programs to maintain or establish small classes in grades K to 3 in eligible school buildings in the district.

(3) To be eligible for a grant under subsection (2), a district must have at least 1 eligible school building and shall apply to the superintendent of public instruction not later than February 1, 1998 in the form and manner prescribed by the superintendent of public instruction. The department shall make applications available for this purpose not later than December 15, 1997. A district shall include in its application a projected budget for maintaining or establishing small classes in grades K to 3 and shall demonstrate in the projected budget that at least \$2,000,000.00 or 25% of the funds received by the district under section 31a, whichever is less, will be used to support small classes under this section. The superintendent of public instruction shall approve or disapprove applications and notify the applying district of that decision not later than April 1, 1998.

(4) For a school building to be eligible for funding under this section, the school building must operate at least 1 of grades K to 3; the school building must be operated by a district that operates all of grades K to 12 and that receives funds under section 31a; and at least 50% of the actual pupils enrolled in the school building in the immediately preceding fiscal year must have been eligible for free lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769, 1769b to 1769c, and 1769f, and reported to the department not later than October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year.

(5) Not more than 25% of the total allocation under subsection (2) may be paid to any 1 particular district. The department shall make allocations under subsection (2) to at least 12 districts, and the districts shall be geographically diverse.

(6) A district receiving funds under subsection (2) shall use the funds to maintain or establish small classes in grades K to 3 in school buildings of the district for which funds are received under this section. The average class size shall be not more than 17 pupils per class, with not more than 19 pupils in any particular class. A district receiving funds under subsection (2) shall use at least \$2,000,000.00 or 25% of the funds the district receives for 1998-99 under section 31a, whichever is less, for the purposes of this section.

(7) Funding to districts under this section for 1998-99 is intended to be for the first of 4 years of funding and funding to districts under this section for 1999-2000 is intended to be for the second of 4 years of funding.

(8) From the general fund appropriation in section 11, there is allocated to the department for 1998-99 an amount not to exceed \$250,000.00 for a study of the effectiveness of small classes in improving pupil performance. The funds allocated under this subsection may be expended after the 1998-99 fiscal year through the end of either the fourth fiscal year of funding under this section or the final fiscal year of funding under this section, whichever occurs earlier.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 13, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1632Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to eligibility for allocations.

388.1633Repealed.1991, Act 118, Imd. Eff. Oct. 11, 1991.

**Compiler's note:**The repealed section pertained to calculating the number of pupils determined to be in need of basic cognitive skills.

388.1634–388.1635Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to low-income eligibility counts, achievement incentive grants, and distribution of tentative allocations.

388.1636 Comprehensive compensatory programs to improve readiness and achievement of educationally disadvantaged children; evaluation of children participating in Michigan school readiness program.

Sec. 36. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$55,000,000.00 for 1997-98, an amount not to exceed \$55,000,000.00 for 1998-99, and an amount not to exceed \$60,000,000.00 for 1999-2000 for school readiness grants to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, Public Law 89-10, 108 Stat. 3519, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 89-10, 102 Stat. 140, and the head start act, subchapter B of chapter 8 of subtitle A of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9831 to 9835, 9836 to 9844, 9846, and 9848 to 9852a, comprehensive compensatory programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988. A comprehensive compensatory program funded under this section shall include an age-appropriate educational curriculum, nutritional services, health screening for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services. In addition, from the general fund money appropriated in section 11, there is allocated for 1997-98, for 1998-99, and for 1999-2000 an amount not to exceed \$200,000.00 each fiscal year for the purposes of subsection (2).

(2) From the general fund allocation in subsection (1), there is allocated each fiscal year for 1997-98, 1998-99, and 1999-2000 an amount not to exceed \$200,000.00 for a competitive grant to continue a longitudinal evaluation of children who have participated in the Michigan school readiness program.

(3) A district receiving a grant under this section may contract for the provision of the comprehensive compensatory program and retain for administrative services an amount equal to not more than 5% of the grant amount.

**History:**Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subsection (3), as amended by Act 130 of 1995, was vetoed by the governor on June 30, 1995.

388.1636aGrants for community based collaborative prevention services; distribution of funds through joint request for proposals process; criteria.

Sec. 36a. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$2,000,000.00 each fiscal year for 1998-99 and for 1999-2000 to the department for grants for community based collaborative prevention services designed to foster positive parenting skills; improve parent/child interaction, especially for children 0-3 years of age; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments that discourage alcohol, tobacco, and other drug use. This appropriation is to fund secondary prevention programs as defined by the children's trust fund for the prevention of child abuse and neglect.

(2) The funds allocated under this section shall be distributed through a joint request for proposals process established by the department in conjunction with the children's trust fund and the state's interagency systems reform workgroup. Projects funded with grants awarded under this section must meet all of the following:

(a) Be secondary prevention initiatives and voluntary to consumers. This appropriation is not intended to serve the needs of children for whom and families in which neglect or abuse has been substantiated.

(b) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multi-purpose collaborative body.

(c) Provide a 25% local match, of which not more than 10% may be in-kind services, unless this requirement is waived by the interagency systems reform workgroup.

**History:**Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1637Eligibility of district for allocation under § 388.1636.

Sec. 37. (1) A district is eligible for an allocation under section 36 if the district meets all of the requirements in subsections (2), (3), and (4).

(2) The district shall submit a preapplication, in a manner and on forms prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 36 and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 36 and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 36, including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 36 who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(3) The district shall submit a final application for approval, in a manner and on forms prescribed by the department, by a date specified by the department. The final application shall indicate all of the following that apply:

(a) The district complies with the state board approved standards of quality and curriculum guidelines for early childhood programs for 4-year-olds.

(b) The district provides for the active and continuous participation of parents or guardians of the children in the program, and describes the district's participation plan as part of the application.

(c) The district only employs for this program the following:

(i) Teachers possessing proper training, including, but not limited to, a valid teaching certificate and an early childhood (ZA) endorsement. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation a teacher must have a valid teaching certificate and may have a child development associate credential (CDA) instead of an early childhood (ZA) endorsement.

(ii) Paraprofessionals possessing proper training in early childhood development or who have completed at least 1 course in an appropriate training program, including, but not limited to, a child development associate credential (CDA) or associate degree in child development or other similar program, as approved by the department.

(d) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the early childhood readiness program, and that would not be incurred if the program were not being offered. If children other than those determined to be

educationally disadvantaged participate in the program, state reimbursement under section 36 shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established a school readiness advisory committee consisting of, at a minimum, classroom teachers for prekindergarten, kindergarten, and first grade; parents or guardians of program participants; representatives from appropriate community agencies and organizations; the district curriculum director or equivalent administrator; and, if feasible, a school psychologist, school social worker, or school counselor. In addition, there shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(i) Ensure the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district.

(ii) Review the mechanisms and criteria used to determine participation in the early childhood program.

(iii) Review the health screening program for all participants.

(iv) Review the nutritional services provided to program participants.

(v) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(vi) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of educational disadvantage.

(vii) Review, evaluate, and make recommendations to a local school readiness program or programs for changes to the school readiness program.

(f) The district has submitted for departmental approval a plan to conduct and report annual school readiness program evaluations using criteria approved by the department. At a minimum, the evaluations shall include assessment of the gains in educational readiness and progress through first grade of children participating in the school readiness program.

(g) More than 50% of the children participating in the program meet the income eligibility criteria for free or reduced price lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and 1769 to 1769h, or meet the income and all other eligibility criteria for the family independence agency unified child day care program.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 36 if the districts designate a single fiscal agent for the allocation. A district or intermediate district may administer a consortium described in this subsection. A consortium shall submit a single preapplication and application for the children to be served, regardless of the number of districts participating in the consortium.

(5) With the final application, an applicant district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who show evidence of risk factors as described in section 36, who meet the income eligibility criteria for free or reduced price lunch or the income and all other eligibility criteria for the family independence agency unified child day care program, and who will participate in a school readiness program funded under section 36.

**History:**Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1637aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to conditions in which requirements of § 388.1637(h) are considered met.

388.1638Number of prekindergarten children in need of special readiness assistance; calculation.

Sec. 38. The maximum number of prekindergarten children construed to be in need of special readiness assistance under section 36 shall be calculated for each district in the following manner: one-half of the percentage of the district's pupils in grades 1-5 who are eligible for free lunch, as determined by the district's October count in the immediately preceding school year under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1769b, and 1769 to 1769h, as reported to the department not later than December 31 of the immediately preceding fiscal year, shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding years.

**History:**Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

388.1639Tentative allocation to eligible district under § 388.1636; priority in funding; contingency; supplementary day care; district with 315 or more eligible pupils; additional eligible children.

Sec. 39. (1) The tentative allocation for each fiscal year to each eligible district under section 36 shall be determined by multiplying the number of children determined in section 38 or the number of children the district indicates it will be able to serve under section 37(2)(c), whichever is less, by \$3,100.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38 until the money allocated in section 36 is distributed.

(2) A district that has not less than 50 eligible children shall receive priority over other eligible districts other than those districts funded under subsection (3).

(3) A district that received funds under this section in at least 1 of the 2 immediately preceding fiscal years shall receive priority in funding over other eligible districts. However, funding beyond 3 state fiscal years is contingent upon the availability of funds and documented evidence satisfactory to the department of compliance with all operational, fiscal, administrative, and other program requirements.

(4) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under this section over other eligible districts other than those districts funded under subsection (3).

(5) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 36.

(6) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the school readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

#### ARTICLE 4

388.1640 Children in need of special readiness assistance; alternative methods of determining number; review; report.



Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the department of management and budget.

**History:**Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991.

388.1641Bilingual instruction for pupils of limited English-speaking ability; allocation; reimbursement; use of funds.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$4,212,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to applicant districts and intermediate districts offering programs of bilingual instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for bilingual instruction in speaking, reading, writing, or comprehension of pupils of limited English-speaking ability.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

388.1645-388.1648Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to school health education curriculum, school dropout prevention programs, gifted and talented pupil programs, and nonresidential alternative juvenile rehabilitation programs.

## ARTICLE 5

388.1651Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils with handicaps.

388.1651aAllocations for 1997-98 and 1998-99; reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils eligible for special

education and programs; allocation of state and federal funds; reimbursement; total payment; adjustments; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures.

Sec. 51a. (1) From the appropriation in section 11, there is allocated \$818,786,700.00 for 1997-98 to consist of an amount not to exceed \$722,853,300.00 from state sources and \$95,933,400.00 in federal funding under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any carryover federal funds from previous year appropriations; there is allocated for 1998-99 an amount not to exceed \$760,148,600.00 from state sources and all available federal funding, estimated at \$120,000,000.00, plus any carryover federal funds from previous year appropriations; and there is allocated for 1999-2000 an amount not to exceed \$818,600,000.00 from state sources and all available federal funding, estimated at \$120,000,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and programs for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766.

(2) From the funds allocated under subsection (1), there is allocated for 1997-98, for 1998-99, and for 1999-2000 the amount necessary, estimated at \$620,906,100.00 for 1997-98, \$657,239,100.00 for 1998-99, and \$714,848,100.00 for 1999-2000, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (13), times the foundation allowance under section 20 of the pupil's district of residence, not to exceed \$6,500.00

adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and for the immediately preceding fiscal year and \$5,000.00, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (13), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and the immediately preceding fiscal year and \$5,000.00.

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 1997-98, for 1998-99, and for 1999-2000 the amount necessary, estimated at \$29,224,700.00 for 1997-98, \$28,995,600.00 for 1998-99, and \$29,400,000.00 for 1999-2000, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for 1997-98, 1998-99, or 1999-2000 under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for 1997-98, for 1998-99, or for 1999-2000, or all of them as applicable, an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for 1997-98, 1998-99, or 1999-2000. This adjustment is to reflect reductions in special education program operations between 1996-97 and 1997-98, 1998-99, or 1999-2000 as applicable.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall

deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,100,000.00 may be allocated by the department for 1997-98, and an amount not to exceed \$3,500,000.00 each fiscal year may be allocated by the department for 1998-99 and for 1999-2000, to districts or intermediate districts on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$1,700,000.00 for 1997-98, and an amount not to exceed \$2,200,000.00 each fiscal year for 1998-99 and for 1999-2000, to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs

and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Reimbursement for ancillary and other related services, as defined by R 340.1701 of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the department of management and budget. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(8) From the allocation in subsection (1), there is allocated for 1997-98, for 1998-99, and for 1999-2000 an amount not to exceed \$15,313,900.00 each fiscal year to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under this subsection.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Notwithstanding section 6(4), for 1997-98 only, for pupils enrolled in a center program pursuant to an intermediate district plan the department shall use for the February 1997 supplemental count the definition of membership used for the 1997-98 pupil membership count day.

(11) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(12) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(13) From the funds allocated in subsection (1), there is allocated each fiscal year for 1997-98, for 1998-99, and for 1999-2000 the amount necessary, estimated at \$8,370,600.00 for 1997-98, \$9,562,000.00 for 1998-99, and \$10,000,000.00 for 1999-2000, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the foundation allowance under section 20 of the pupil's district of residence, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and for the immediately preceding fiscal year and \$5,000.00, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and for the immediately preceding fiscal year and \$5,000.00. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(14) After payments under subsections (2) and (13), the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1651bFunding; compliance with rules.

Sec. 51b. A district or intermediate district shall not receive funds under this article unless the district or intermediate district complies with rules promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996.

388.1652Special education programs and services; reimbursement; limitation.

Sec. 52. Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, for special education pupils other than those programs funded under section 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 to 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

388.1653Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to special education programs and services.

388.1653aSpecial education programs and services; reimbursement of total approved costs; limitation; costs of transportation; allocation.

Sec. 53a. (1) Reimbursement shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the

revised school code, MCL 380.1701 to 380.1766, minus the foundation allowance calculated under section 20, for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils who are dependents of foreign diplomats who reside in this state and who are placed in a center program.

(e) Pupils enrolled in a department-approved on-grounds educational program longer than 181 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 181 days but not longer than 233 days.

(f) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(2) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (1), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(3) The costs of transportation shall be funded under this section but shall not be reimbursed under section 58.

(4) Not more than \$15,000,000.00 for 1997-98, and not more than \$14,500,000.00 each fiscal year for 1998-99 and 1999-2000, of the allocation in section 51a(1) shall be allocated under this section.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Former § 388.1653a, which pertained to competitive contract bidding process to provide education services to emotionally impaired pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

388.1654Intermediate district to receive amount for pupil attending Michigan schools for the deaf and blind.

Sec. 54. In addition to the aid received under section 52, each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the



total instructional cost at each school. Not more than \$1,688,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 of the allocation in section 51a(1) shall be allocated under this section.

**History:**Add. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

388.1655Repealed.1991, Act 118, Imd. Eff. Oct. 11, 1991.

**Compiler's note:**The repealed section pertained to the allocation for pupils with communication impairments.

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill..."

388.1656Definitions; reimbursement to intermediate districts levying millages for special education; limitation; distribution plan; computation.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for 1997-98 the total membership in 1996-97 of the intermediate district and the districts constituent to the intermediate district; means for 1998-99 the total membership in 1997-98 of the intermediate district and the districts constituent to the intermediate district; and means for 1999-2000 the total membership in 1998-99 of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$30,650,000.00 each fiscal year for 1997-98 and for 1998-99 and 1999-2000 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As

a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan that utilizes at least a district's foundation allowance, as calculated under section 20, as a required local contribution.

(3) Reimbursement for those millages levied in 1996-97 shall be made in 1997-98 at an amount per 1996-97 membership pupil computed by subtracting from \$98,200.00 the 1996-97 taxable value behind each membership pupil, and multiplying the resulting difference by the 1996-97 millage levied. Reimbursement for those millages levied in 1997-98 shall be made in 1998-99 at an amount per 1997-98 membership pupil computed by subtracting from \$102,200.00 the 1997-98 taxable value behind each membership pupil, and multiplying the resulting difference by the 1997-98 millage levied. Reimbursement for those millages levied in 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership pupil computed by subtracting from \$106,800.00 the 1998-99 taxable value behind each membership pupil, and multiplying the resulting difference by the 1998-99 millage levied.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1657 Gifted and talented pupils; support services; summer institutes; development and operation of comprehensive programs.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$600,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to applicant intermediate districts that provide support services for the education of gifted and talented pupils. An intermediate district is entitled to 75% of the actual salary, but not to exceed \$25,000.00 reimbursement for an individual salary, of a support services teacher approved by the department, and not to exceed \$4,000.00 reimbursement for expenditures to support program costs, excluding in-county travel and salary, as approved by the department.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$400,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to support part of the cost of summer institutes for gifted and talented students. This amount shall be contracted to applicant intermediate districts in cooperation with a local institution of higher education and shall be coordinated by the department.

(3) From the appropriation in section 11, there is allocated an amount not to exceed \$4,000,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 for the development and operation of comprehensive programs for gifted and talented pupils. An eligible district or consortium of districts shall receive an amount not to exceed \$50.00 per K-12 pupil for up to 5% of the district's or consortium's K-12 membership for the immediately preceding fiscal year with a minimum total grant of \$3,000.00. Funding shall be provided in the following order: the per pupil allotment, and then the minimum total grant of \$3,000.00 to individual districts. An intermediate district may act as the fiscal agent for a consortium of districts. In order to be eligible for funding under this subsection, the district or consortium of districts shall submit each year a current

3-year plan for operating a comprehensive program for gifted and talented pupils and the district or consortium shall demonstrate to the department that the district or consortium will contribute matching funds of at least \$50.00 per K-12 pupil. The plan or revised plan shall be developed in accordance with criteria established by the department and shall be submitted to the department for approval. Within the criteria, the department shall encourage the development of consortia among districts of less than 5,000 memberships.

**History:**Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Former § 388.1657, which pertained to allocation for special education students, was repealed by Act 128 of 1987, Eff. Oct. 1, 1987.

388.1658Special education transportation services; basis.

Sec. 58. Allocations to districts and intermediate districts under section 51a for providing special education transportation services shall be based on data reported by the districts and intermediate districts for the current school year.

**History:**Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

## ARTICLE 6

388.1661Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to reimbursement for vocational-technical education programs.

388.1661aVocational-technical programs; added cost; reimbursement for local vocational administration, shared-time vocational administration, and career education planning district vocational-technical administration; allocation.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$31,027,600.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to reimburse on an added cost basis districts, except for a

district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to state board rules. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the state board.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the state board. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed \$400,000.00 each fiscal year to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the amount of the allocation to the intermediate district for 1996-97 under this subsection.

**History:** Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1662Definitions; reimbursement to intermediate districts and area vocational-technical education programs levying millages for area vocational-technical education; limitation; computation.

Sec. 62. (1) For the purposes of this section:

(a) “Membership” means for 1997-98 the total membership in 1996-97 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1996-97 of the area vocational-technical education program; means for 1998-99 the total membership in 1997-98 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1997-98 of the area vocational-technical program; and means for 1999-2000 the total membership in 1998-99 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1998-99 of the area vocational-technical program.

(b) “Millage levied” means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) “Taxable value” means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, beginning in 1998-99, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$7,200,000.00 for 1997-98 and an amount not to exceed \$8,550,000.00 each fiscal year for 1998-99 and for 1999-2000 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 1996-97 shall be made in 1997-98 at an amount per 1996-97 membership pupil computed by subtracting from \$98,700.00 the 1996-97 taxable value behind each membership pupil, and multiplying the resulting difference by the 1996-97 millage levied. Reimbursement for the millages levied in 1997-98 shall be made in 1998-99 at an amount per 1997-98 membership pupil computed by subtracting from \$104,400.00 the 1997-98 taxable value behind each membership pupil, and multiplying the resulting difference by the 1997-98 millage levied. Reimbursement for the millages levied in 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership pupil computed by subtracting from \$108,800.00 the 1998-99 taxable value behind each membership pupil, and multiplying the resulting difference by the 1998-99 millage levied.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Imd. Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

### 388.1663 Michigan manufacturing technology program.

Sec. 63. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,800,000.00 for 1999-2000 for implementation of the Michigan manufacturing technology program for the 1999-2000 school year as provided under this section.

(2) From the allocation in subsection (1), there is allocated \$1,800,000.00 to the department, in conjunction with the Michigan jobs commission, to award competitive grants for the purpose of improving manufacturing technology programs offered by public education agencies. The maximum amount of a grant under this subsection shall not exceed \$50,000.00 for each public education agency determined to be eligible for funding.

(3) Applications for grants under subsection (2) shall be submitted in a form and manner determined by the department, in conjunction with the Michigan jobs commission. Criteria for funding shall include all of the following:

(a) The public education agency operates a manufacturing technology program, is a participating agency in a regional career preparation plan described in section 68, and has the support of the local workforce development board for submission of the grant application.

(b) The public education agency offers employer-provided instruction for its pupils as part of its manufacturing technology curriculum.

(c) The public education agency agrees to evaluate the impact of the grant.

(d) Any other criteria determined by the department, in conjunction with the Michigan jobs commission.

(4) Grants awarded under subsection (2) shall be used by eligible public education agencies for activities intended to increase the amount of employer-provided instruction provided to pupils and to increase pupil awareness of manufacturing technology programs.

(5) The department, in conjunction with the Michigan jobs commission, shall consider the potential for graduates to be placed in high-wage, high-demand positions upon completion of the manufacturing technology program in its determination of grant awards.

(6) Grants under subsection (2) shall be awarded by the department no later than April 30, 2000 and paid out to the grant recipients in total no later than May 20, 2000. Funds may be used by grant recipients to support allowable expenditures in the following school year.

**History:**Add. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**Former § 388.1663, which pertained to allocations for area vocational-technical education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

Subsection (7), as added by Act 339 of 1998, was vetoed by the governor on October 13, 1998.

388.1664Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to adult vocational education training in partnership with business entity.

388.1665Repealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to aggregate and estimated expenditures for vocational education.

388.1666Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to job training and development programs.

388.1667Michigan career preparation system grants; allocations; definitions.

Sec. 67. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$1,300,000.00 for 1997-98 and an amount not to exceed \$350,000.00 for 1998-99 for Michigan career preparation system grants under this section.

(2) From the amount allocated under subsection (1) for 1997-98, \$1,150,000.00 shall be allocated by the department in equal payments on October 20, 1997 and on February 20, 1998, to local workforce development boards solely for the use of their education advisory groups, as described in section 68. Payments under this subsection to local workforce development boards shall be used for the purposes of developing regional career preparation plans described in section 68.

(3) From the allocation in subsection (1), there is allocated \$50,000.00 for 1997-98 and \$150,000.00 for 1998-99 to the council for career preparation standards to identify uniform career competency standards and assessments for career clusters, to establish a statewide information system on current and anticipated employment opportunities and the required level of skills and education required for employment, and for any other council functions.

(4) From the allocation in subsection (1) for 1998-99, there is allocated \$100,000.00 for 1998-99 to the council for career preparation standards to provide information to parents, pupils, school personnel, employers, and others regarding opportunities to receive integrated academic and technical preparation in the public schools of this state.

(5) From the appropriation in subsection (1) for 1997-98, there is allocated \$100,000.00 for 1997-98 to the department to establish guidelines for education advisory groups and regional career preparation plans and to provide technical assistance to local workforce development boards and education advisory groups, in collaboration with the Michigan jobs commission. The department shall distribute the guidelines to education agencies and to all local workforce development boards.

(6) From the allocation in subsection (1) for 1998-99, there is allocated \$100,000.00 for 1998-99 to the department to establish peer review criteria, procedures, and standards and to provide technical assistance to local peer review committees created under section 68(4), in collaboration with the Michigan jobs commission.

(7) As used in this section and in section 68:

(a) “Advanced career academy” means a career preparation program operated by a district, by an intermediate district, or by a public school academy, that applies for and receives advanced career academy designation from the department. To receive this designation, a career preparation program shall meet criteria established by the department, in collaboration with the Michigan jobs commission, which criteria shall include at least all of the following:

(i) Satisfactory completion of a peer review process.

(ii) Operation of programs for those career clusters identified by the council for career preparation standards as being eligible for advanced career academy status.

(iii) Involvement of employers in the design and implementation of career preparation programs.

(iv) A fully integrated program of academic and technical education available to pupils.



(v) Demonstration of an established career preparation system resulting in industry-validated career ladders for graduates of the program, including, but not limited to, written articulation agreements with postsecondary institutions to allow pupils to receive advanced college placement and credit or federally registered apprenticeships, as applicable.

(b) “Career cluster” means a grouping of occupations from 1 or more industries that share common skill requirements.

(c) “Career preparation system” is a system of programs and strategies providing pupils with opportunities to prepare for success in careers of their choice.

(d) “Eligible education agency” means a district, intermediate district, or advanced career academy that provides career preparation programs either directly or under a contract with a postsecondary institution or an employer as part of an approved regional career preparation plan.

(e) “FTE” means full-time equivalent pupil as determined by the department.

(f) “Workforce development board” means a local workforce development board established pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, and the school-to-work opportunities act of 1994, Public Law 103-239, 108 Stat. 568, or the equivalent.

**History:**Add. 1997, Act 93, Imd. Eff. Aug. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

388.1668Michigan career preparation system; allocation for 1998-99 and 1999-2000; regional career preparation plan.

Sec. 68. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$23,850,000.00 each fiscal year for 1998-99 and for 1999-2000 to be used to implement the Michigan career preparation system in the 1998-99 and 1999-2000 school years as provided under this section. From this allocation, the department may reserve an amount not to exceed \$2,000,000.00 each fiscal year for career preparation programs that have achieved designation as an advanced career academy. In order to receive funds under this section, an eligible education agency shall be part of an approved regional career preparation plan under subsection (2) and shall agree to expend the funds required under this section in accordance with the regional career preparation plan. Funds awarded under this section that are not expended in accordance with this section may be recovered by the department.

(2) In order to receive funding under this section, an eligible education agency shall be a part of an approved 3-year regional career preparation plan as described in this subsection. All of the following apply to a regional career preparation plan:

(a) A 3-year regional career preparation plan shall be developed under subdivisions (b), (c), and (d) for all public education agencies providing career preparation programs as part of a regional career preparation system within the geographical boundaries of a local workforce development board, and revised annually. If an intermediate district is located within the geographical boundaries of more than 1 local workforce development board, the board of the intermediate district shall choose 1 local workforce development board with which to align and shall notify the department of this choice not later than October 31, 1997.

(b) The regional career preparation plan shall be developed by representatives of the education advisory group of each local workforce development board in accordance with guidelines developed under section 67(5), and in accordance with subdivisions (d) and (e). All of the following shall be represented on each education advisory group: workforce development board members, other employers, labor, local school districts, intermediate school districts, postsecondary institutions, career/technical educators, parents of public school pupils, and academic educators. The representatives of local school districts, intermediate school districts, and postsecondary institutions appointed to the education advisory group by the local workforce development board shall be individuals designated by the board of the school district, intermediate school district, or postsecondary institution.

(c) By majority vote, the education advisory group may nominate 1 education representative, who may or may not be a member of the education advisory group, for appointment to the local workforce development board. This education representative shall be in addition to existing education representation on the local workforce development board. This education representative shall meet all local workforce development board membership requirements.

(d) The components of the regional career preparation plan shall include, but are not limited to, all of the following:

(i) The roles of districts, intermediate districts, advanced career academies, postsecondary institutions, employers, labor representatives, and others in the career preparation system.

(ii) Programs to be offered, including at least career exploration activities, for middle school pupils.

(iii) Identification of integrated academic and technical curriculum, including related professional development training for teachers.

(iv) Identification of work-based learning opportunities for pupils and for teachers and other school personnel.

(v) Identification of testing and assessments that will be used to measure pupil achievement.

(vi) Identification of all federal, state, local, and private sources of funding available for career preparation programs in the region.

(e) The education advisory group shall develop a 3-year regional career preparation plan and submit the plan to the department for final approval. The submission to the department shall also include statements signed by the chair of the education advisory group and the chair of the local workforce development board certifying that the plan has been reviewed by each entity. Upon department approval, all eligible education agencies designated in the regional career preparation plan as part of the career preparation delivery system are eligible for funding under this section.

(3) Funding under this section shall be distributed to eligible education agencies by the department for allowable costs defined in this subsection and identified as necessary costs for implementing a regional career preparation plan, as follows:

(a) The department shall rank all career clusters, including career exploration, guidance, and counseling. Rank determination will be based on median salary data in career clusters and employment opportunity data provided by the council for career preparation standards. In addition, rank determination shall be based on placement data available for prior year graduates of the programs in the career clusters either in related careers or postsecondary education. The procedure for ranking of career clusters shall be determined by the department.

(b) Allowable costs to be funded under this section shall be determined by the department. Budgets submitted by eligible education agencies to the department in order to receive funding shall identify funds and in-kind contributions from the regional career education plan, excluding funds or in-kind contributions available as a result of funding received under section 61a, equal to at least 100% of anticipated funding under this section. Eligible categories of allowable costs are the following:

(i) Career exploration, guidance, and counseling.

(ii) Curriculum development, including integration of academic and technical content, and professional development for teachers directly related to career preparation.

(iii) Technology and equipment determined to be necessary.

(iv) Supplies and materials directly related to career preparation programs.

(v) Work-based learning expenses for pupils, teachers, and counselors.

(vi) Evaluation, including career competency testing and peer review.

(vii) Career placement services.

(viii) Student leadership organizations integral to the career preparation system.

(ix) Up to 10% of the allocation to an eligible education agency may be expended for planning, coordination, direct oversight, and accountability for the career preparation system.

(c) The department shall calculate career preparation costs per FTE for each career cluster, including career exploration, guidance, and counseling, by dividing the allowable costs for each career cluster by the prior year FTE enrollment for each career cluster. Distribution to eligible education agencies shall be the product of 50% of career preparation costs per FTE times the current year FTE enrollment of each career cluster. This allocation shall be distributed to eligible education agencies in decreasing order of the career cluster ranking described in subdivision (a) until the money allocated for grant recipients in this section is distributed. However, beginning in 1999-2000, an individual career preparation program shall not be funded under this section, regardless of career cluster ranking, if it does not attain compliance with career competency standards set by the council for career preparation standards for the particular career cluster.

(4) The department, in collaboration with the Michigan jobs commission, shall establish a review procedure for assessing the career preparation system in each region. Each local workforce development board shall establish regional peer review committees that include employers, educators, labor representatives, parents, and representatives of the local workforce development board nominated by the local workforce development board and the education advisory group. All of the following apply to peer review committees:

(a) Peer review committees are responsible for assuring the quality of the career preparation system. A peer review committee shall review career preparation programs to ensure compliance with career competency standards as well as other program evaluation criteria.

(b) A peer review committee shall report its findings and recommendations for changes to the eligible education agency operating the career preparation program, the local workforce development board, the education advisory group responsible for revising the regional career preparation plan, and the department.

(c) The next revision of a regional career preparation plan shall take into account the findings of a peer review committee in order for the affected education agencies to receive continued funding under this section.

**History:**Add. 1997, Act 93, Imd. Eff. Aug. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

## ARTICLE 7

388.1671, 388.1672 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed sections pertained to transportation services funding and aid.

388.1673 Repealed. 1986, Act 212, Eff. Oct. 1, 1986.

**Compiler's note:** The repealed section pertained to transportation programs and procurement of school buses.

388.1674 School bus driver safety instruction or driver skills road tests; cost of instruction and driver compensation; nonspecial education auxiliary services transportation.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,625,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 for the purposes of subsections (2) and (3).

(2) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction or driver skills road tests pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction or driver skills road tests shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:** In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill..."

388.1675 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:** The repealed section pertained to nonspecial education auxiliary services transportation.

388.1676 Funding for transporting nonpublic school students.

Sec. 76. If a district received money in 1993-94 attributable to nonspecial education transportation under former section 71 and that money was included in calculating the district's combined state and local revenue per membership pupil in 1993-94 under section 20(21), as that section was in effect for 1994-95, then the district shall use money received under section 20 as the funding for transporting nonpublic school students as required under section 1321 of the revised school code, being section 380.1321 of the Michigan Compiled Laws.

**History:** Add. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

## ARTICLE 8

388.1681 Allocations to intermediate districts; amounts; report of adjustment and amount of increase; employment of person trained in pupil counting.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated each fiscal year for 1997-98, for 1998-99, and for 1999-2000 to the intermediate districts the sum necessary, but not to exceed \$81,266,700.00 for 1997-98, not to exceed \$79,912,000.00 for 1998-99, and not to exceed \$82,644,800.00 for 1999-2000, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district each fiscal year for 1997-98 and for 1998-99 an amount equal to 102.9% of the sum of the amount of funding actually received by the intermediate district under this subsection in 1996-97 and the amount of funding actually received by the intermediate district under former section 11b as in effect for 1995-96. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 1999-2000 an amount equal to 103.5% of the amount of funding actually received by the intermediate district under this subsection for 1998-99. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(3) If an intermediate district participated in 1993-94 in a consortium operating a regional educational media center under section 671 of the revised school code, MCL 380.671, and rules promulgated by the state board, and if the intermediate district obtains written consent from each of the other intermediate districts that participated in the consortium in 1993-94, the intermediate district may notify the department not later than December 30, 1998 that it is electing to directly receive its payment attributable to participation in that consortium. An intermediate district making that election, and that has obtained the necessary consent, shall receive each fiscal year for 1997-98, for 1998-99, and for 1999-2000 for each pupil in membership in the intermediate district or a constituent district an amount equal to the quotient of the 1993-94 allocation to the fiscal agent for that consortium under former section 83, adjusted as determined by the department to account for that election, divided by the combined total membership for the current fiscal year in all of the intermediate districts that participated in that consortium and their constituent districts. The amount allocated to an intermediate district under this subsection for a fiscal year shall be deducted from the total allocation for that fiscal year under this section to the intermediate district that was the 1993-94 fiscal agent for the consortium.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year. Accordingly, from the allocation in subsection (1), there is allocated for 1998-99 only an amount not to exceed \$62,000.00 for payments to intermediate districts for adjustments in taxable value described in this subsection.

(5) In order to receive funding under this section, an intermediate district shall demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:** Subsection (3) of Sec. 81, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Sec. 81, as amended by Act 212 of 1986, did not have a subsection (3).

Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subsection (3) of Sec. 81, as amended by Act 118 of 1991, was vetoed by the governor on October 11, 1991. Subsection (3) of Sec. 81, as amended by Act 207 of 1990, is set forth in the text of Sec. 81 above.

388.1681a Repealed. 1988, Act 318, Eff. Oct. 1, 1988.

**Compiler's note:** The repealed section pertained to reduction of allocations.

388.1683 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed section pertained to educational media centers.

388.1684 Repealed. 1991, Act 118, Imd. Eff. Oct. 11, 1991.

**Compiler's note:** The repealed section pertained to instructional services to homebound or hospitalized pupils.

388.1685 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed section pertained to allocations for intermediate school districts.

388.1686 Repealed. 1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:** The repealed section pertained to regular nonspecial education educational programs in residential child care institutions for court placed pupils.

## ARTICLE 9

388.1690 Repealed. 1992, Act 148, Eff. Oct. 1, 1992.

**Compiler's note:** The repealed section pertained to allocations for innovative and diversified educational programs and for pilot school-level building program.

388.1691 Repealed. 1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:** The repealed section pertained to long-range school improvement plans, annual education report, and core curriculum.

388.1691a Cessation of pilot intermediate district schools of choice program; enrollment of nonresident pupil in district.

Sec. 91a. If a district allowed a nonresident pupil to enroll in the district under a pilot intermediate district schools of choice program under former section 91, the district shall continue to allow that pupil to enroll in the district until the pupil graduates from high school even if the district ceases to participate in the pilot intermediate district schools of choice program or the program is discontinued.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1691b Enrollment of nonresident pupil in district; graduation of pupil from high school.

Sec. 91b. If a district allows a nonresident pupil described in section 6(4)(k) to enroll in the district, the district shall continue to allow that pupil to enroll in the district until the pupil graduates from high school.

**History:** Add. 1995, Act 130, Eff. Oct. 1, 1995.



388.1691cTransfer student; eligibility to participate in interscholastic athletic competition.

Sec. 91c. A pupil who transfers to a district other than the pupil's district of residence under an intermediate district schools of choice pilot program under former section 91 or a pupil described in section 6(4)(k) who transfers to a district other than the pupil's district of residence is ineligible to participate in interscholastic athletic competition for a period of 1 semester from the date the pupil transfers.

**History:**Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1692aRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to basic skills development program.

388.1693Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to alternative education programs for school-age expectant parents and school-age parents and their children.

388.1694Technical assistance to districts for school accreditation purposes.

Sec. 94. From the general fund money appropriated in section 11, there is allocated to the department for 1997-98, for 1998-99, and for 1999-2000 an amount not to exceed \$1,500,000.00 each fiscal year to provide technical assistance to districts for school accreditation purposes as described in section 1280 of the revised school code, MCL 380.1280.

**History:**Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1695Repealed.1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**The repealed section pertained to allocation, distribution, and audit of professional development funds.

388.1696Repealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to community school programs.

388.1697–388.1698bRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to professional and nonprofessional development programs.

388.1699Mathematics and science centers.

Sec. 99. (1) From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$7,293,100.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000 and from the general fund appropriation in section 11 there is allocated an amount not to exceed \$400,000.00 each fiscal year for 1997-98, for 1998-99, and for 1999-2000, for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board on February 17, 1993.

(2) Within a service area designated locally, approved by the department, and consistent with the master plan described in subsection (1), an established mathematics and science center shall address 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a grant under this section to more than 1 mathematics and science center located in a particular intermediate district unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the intermediate district.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 25 established mathematics and science centers and the 8 satellite extensions that were funded in 1996-97. Each established mathematics and science center that was funded in 1996-97 shall receive an amount equal to 103% of the amount it received under this section in 1996-97.

(6) In order to receive funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

**History:**Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Subsections (5), (7), and (8), as amended by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

Subsections (7), (8), (9), and (10), as amended by Act 93 of 1997, were vetoed by the governor August 1, 1997.

## ARTICLE 10

388.1701Eligibility to receive state aid; filing certified and sworn copy of enrollment; failure to file; withholding state aid falsification; minimum days and hours of pupil instruction; forfeiture; certification; strikes or teachers' conferences; rules; days not counted as days of pupil instruction; alternative scheduling program for pupils in kindergarten; waiver; certification of planned number of days and hours of pupil instruction; conditions requiring forfeiture;

guidelines for providing minimum number of hours of instruction; application; waiver for alternative education program.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the state board. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the intermediate district shall transmit to the department the data filed by each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to transmit the data in its possession in a timely and accurate manner to the department, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the department, in a form and manner prescribed by the department, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed

under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Each district shall provide the required minimum number of days and hours of pupil instruction under section 1284 of the revised school code, MCL 380.1284. Except as otherwise provided in this act, a district failing to hold the required minimum number of days of pupil instruction shall forfeit from its total state aid allocation for each day of failure an amount determined by applying a ratio of the number of days the district was in noncompliance in relation to the required minimum number of days. Except as otherwise provided in this act, a district failing to comply with the required minimum hours of pupil instruction shall forfeit from its total state aid allocation an amount determined by applying a ratio of the time duration the district was in noncompliance in relation to the required minimum number of hours. A district failing to meet both the minimum number of days of pupil instruction requirement and the minimum number of hours of pupil instruction requirement shall be penalized only the higher of the 2 amounts calculated under the forfeiture provisions of this subsection. Not later than August 1, the board of each district shall certify to the department the number of days and hours of pupil instruction in the previous school year. If the district did not hold at least 180 days and the required minimum number of hours of pupil instruction, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (7). Days lost because of strikes or teachers' conferences shall not be counted as days of pupil instruction. A district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1 divided by the required minimum number of days of pupil instruction that the actual percent of attendance bears to the specified percentage. The state board shall promulgate rules for the implementation of this subsection.

(4) The first 2 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, or health conditions as defined by the city, county, or state health authorities, shall be counted as days of pupil instruction. In addition, for 1997-98 only, the department may count as days of pupil instruction up to 6 additional days for which pupil instruction is not provided in a district after May 28, 1998 because damage or electrical outages resulting from severe storms prevented the district from providing

instruction and up to 2 additional days for which pupil instruction is not provided in a district after June 3, 1998 because a bomb threat prevented the district from providing instruction. Subsequent such days shall not be counted as days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Upon application by the district for a particular fiscal year, the state board may waive the minimum number of days of pupil instruction requirement of subsection (3) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides the required minimum number or more hours of pupil instruction and is consistent with all state board policies on school improvement and restructuring. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section of part of its state aid allocation for the specific building or program covered by the waiver.

(7) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of days and hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of days and hours of pupil instruction, as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of days and hours of pupil instruction in a school year, including days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of days and hours of pupil instruction in a school year, including days counted under subsection (4).

(8) In providing the minimum number of hours of pupil instruction required under section 1284 of the revised school code, MCL 380.1284, a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) A pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 2-1/2 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) For the 1997-98 school year only, if a district operates an elementary school that is located on an island and provides some pupil instruction for pupils enrolled in that elementary school at 1 or more school buildings operated by the district that are not located on the island, the travel time for travel for those pupils between the elementary school located on the island and the other school building or buildings, up to a maximum of 1-1/2 hours per school week, shall be considered to be pupil instruction time for those pupils for the purpose of determining whether those pupils are receiving the required minimum number of hours of pupil instruction.

(9) The department shall apply the guidelines under subsection (8) in calculating the full-time equivalency of pupils.

(10) Upon application by the district for a particular fiscal year, the state board may waive for a district the minimum number of days and hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 142, Imd. Eff. July 15, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**The last sentence of subsection (4), as amended by Act 180 of 1996, which provided "However, for 1995-96 only, for a school district at or above townline 16, the first 5 days for which pupil instruction is not provided because of conditions described in this subsection shall be counted as days of pupil instruction." was vetoed by the governor on April 22, 1996.

**Administrative rules:**R 340.1 et seq. of the Michigan Administrative Code.

388.1701aRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to extended school year.

388.1702Deficit budget or operating deficit prohibited; release of state aid payments; report; amount of permissible deficit; monthly monitoring report; plan to eliminate deficit; district considered to have incurred deficit.

Sec. 102. (1) A district or intermediate district receiving money under this act shall not adopt or operate under a deficit budget, and a district or intermediate district shall not incur an operating deficit in a fund during a school fiscal year. A district or intermediate district having an existing deficit or which incurs a deficit shall not be allotted or paid a further sum under this act until the district or intermediate district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's or intermediate district's deficit not later than the end of the second school fiscal year after the deficit was incurred. Withheld state aid payments shall be released after the department approves the deficit reduction plan and ensures that the budget for the current school fiscal year is balanced.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 education appropriations, the house and senate fiscal agencies, the state treasurer, and the department of management and budget. The department shall also submit interim reports concerning district and intermediate district deficits as necessary.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district or intermediate district with an existing deficit or which incurs a deficit shall submit to the department a monthly monitoring report on revenue and expenditures in a form and manner prescribed by the department.

(5) If a district or intermediate district is not able to comply with the provisions of this section, the district or intermediate district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public instruction may continue allotment and payment of funds under this act, extend the period of time in which a district or intermediate district has to eliminate its deficit, and set special conditions that the district or intermediate district must meet during the period of the extension.

(6) For the purposes of this section, a district or intermediate district is considered to have incurred an operating deficit if the district or intermediate district incurs any withholding of or financial penalty, other than a temporary delay, against any portion of its total state school aid allocation under this act.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1979, Act 138, Imd. Eff. Nov. 7, 1979;—Am. 1980, Act 52, Imd. Eff. Mar. 27, 1980;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1982, Act 136, Imd. Eff. Apr. 27, 1982;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 55, Imd. Eff. May 16, 1983;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1703Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to pupil to teacher ratio.

388.1704Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to student portfolios.

388.1704aState assessments to high school pupils.

Sec. 104a. (1) In order to receive state aid under this act, a district shall comply with this section and shall administer state assessments to high school pupils in the subject areas of communications skills, mathematics, science, and, beginning with pupils scheduled to graduate in 2000, social studies. The district shall include on the pupil's high school transcript all of the following:

(a) For each high school graduate who has completed a subject area assessment under this section, the pupil's scaled score on the assessment.

(b) If the pupil's scaled score on a subject area assessment falls within the range required under subsection (2) for a category established under subsection (2), an indication that the pupil has achieved state endorsement for that subject area.

(c) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.



(2) The department shall develop scaled scores for reporting subject area assessment results for each of the subject areas under this section. Subject to approval by the state board, the superintendent of public instruction shall establish 3 categories for each subject area indicating basic competency, above average, and outstanding, and shall establish the scaled score range required for each category. The department shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes these categories in each subject area and indicates the scaled score ranges for each category in each subject area. A district may award a high school diploma to a pupil who successfully completes local district requirements established in accordance with state law for high school graduation, regardless of whether the pupil is eligible for any state endorsement.

(3) The assessments administered for the purposes of this section shall be administered to pupils during the last 30 school days of grade 11. The department shall ensure that the assessments are scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil's first semester of grade 12. Not later than fall 1999, the department shall arrange for those portions of a pupil's assessment that cannot be scored mechanically to be scored in Michigan by persons who are Michigan teachers, retired Michigan teachers, or Michigan school administrators and who have been trained in scoring the assessments. The returned scores shall indicate the pupil's scaled score for each subject area assessment, the range of scaled scores for each subject area, and the range of scaled scores required for each category established under subsection (2). In reporting the scores to pupils, parents, and schools, the department shall provide specific, meaningful, and timely feedback on the pupil's performance on the assessment.

(4) For each pupil who does not achieve state endorsement in 1 or more subject areas, the board of the district in which the pupil is enrolled shall provide that there be at least 1 meeting attended by at least the pupil and a member of the district's staff or a local or intermediate district consultant who is proficient in the measurement and evaluation of pupils. The district may provide the meeting as a group meeting for pupils in similar circumstances. If the pupil is a minor, the district shall invite and encourage the pupil's parent, legal guardian, or person in loco parentis to attend the meeting and shall mail a notice of the meeting to the pupil's parent, legal guardian, or person in loco parentis. The purpose of this meeting and any subsequent meeting under this subsection shall be to determine an educational program for the pupil designed to have the pupil achieve state endorsement in each subject area in which he or she did not achieve state endorsement. In addition, a district may provide for subsequent meetings with the pupil conducted by a high school counselor or teacher designated by the pupil's high school principal, and shall invite and encourage the

pupil's parent, legal guardian, or person in loco parentis to attend the subsequent meetings. The district shall provide special programs for the pupil or develop a program using the educational programs regularly provided by the district unless the board of the district decides otherwise and publishes and explains its decision in a public justification report.

(5) A pupil who wants to repeat an assessment administered under this section may repeat the assessment, without charge to the pupil, in the next school year or after graduation. An individual may repeat an assessment at any time the district administers an applicable assessment instrument or during a retesting period under subsection (7).

(6) The department shall ensure that the length of the assessments used for the purposes of this section and the combined total time necessary to administer all of the assessments, including social studies, are the shortest possible that will still maintain the degree of reliability and validity of the assessment results determined necessary by the department. The department shall ensure that the maximum total combined length of time that schools are required to set aside for administration of all of the assessments used for the purposes of this section, including social studies, does not exceed 8 hours. However, this subsection does not limit the amount of time that individuals may have to complete the assessments.

(7) The department shall establish, schedule, and arrange periodic retesting periods throughout the year for individuals who desire to repeat an assessment under this section. The department shall coordinate the arrangements for administering the repeat assessments and shall ensure that the retesting is made available at least within each intermediate district and, to the extent possible, within each district.

(8) A district shall provide accommodations to a pupil with disabilities for the assessments required under this section, as provided under section 504 of title V of the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 794; subtitle A of title II of the Americans with disabilities act of 1990, Public Law 101-336, 42 U.S.C. 12131 to 12134; and the implementing regulations for those statutes.

(9) For the purposes of this section, the state board shall develop or select and approve assessment instruments to measure pupil performance in communications skills, mathematics, social studies, and science. The assessment instruments shall be based on the state board model core academic content standards objectives.

(10) Upon written request by the pupil's parent or legal guardian stating that the request is being made for the purpose of providing the pupil with an opportunity to qualify to take 1 or more postsecondary courses as an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, the board of a district

shall allow a pupil who is in at least grade 10 to take an assessment administered under this section without charge at any time the district regularly administers the assessment or during a retesting period established under subsection (7). A district is not required to include in an annual education report, or in any other report submitted to the department for accreditation purposes, results of assessments taken under this subsection by a pupil in grade 11 or lower until the results of that pupil's graduating class are otherwise reported.

(11) All assessment instruments developed or selected and approved by the state under any statute or rule for a purpose related to K to 12 education shall be objective-oriented and consistent with the state board model core academic content standards objectives.

(12) A person who has graduated from high school after 1996 and who has not previously taken an assessment under this section may take an assessment used for the purposes of this section, without charge to the person, at the district from which he or she graduated from high school at any time that district administers the assessment or during a retesting period scheduled under subsection (7) and have his or her scaled score on the assessment included on his or her high school transcript. If the person's scaled score on a subject area assessment falls within the range required under subsection (2) for a category established under subsection (2), the district shall also indicate on the person's high school transcript that the person has achieved state endorsement for that subject area.

(13) Not later than July 1 of each year until 2000, the department shall submit a comprehensive report to the legislature on the status of the assessment program under this section. The report shall include at least all of the following:

- (a) The annual pupil assessment data.
- (b) A description of the feedback provided to pupils, parents, and schools.
- (c) A description of any significant alterations made in the program by the department or state board during the period covered by the report.
- (d) Any recommendations by the department or state board for legislative changes to the program.
- (e) An update of the reports of the assessment advisory committees of the state board.

(14) Pupils scheduled to graduate in 1998 who took the assessments used for the purposes of this section during the 1996-97 school year may repeat 1 or more of the assessments during the 1997-98 school year. The department, in cooperation with districts, shall make arrangements for repeat assessments to be available for these pupils in each

district that operates a high school during the 1997-98 school year in time for these pupils to repeat the assessments before graduation. The repeat assessments may be administered at times other than regular school hours.

(15) A child who is a student in a nonpublic school or home school may take an assessment under this section. To take an assessment, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the assessment, or the child may take the assessment at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the department shall supply assessments and the nonpublic school may administer the assessment.

(16) The purpose of the assessment under this section is to assess pupil performance in mathematics, science, social studies, and communication arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards. These standards are based upon the expectations of what pupils should know and be able to do by the end of grade 11.

(17) As used in this section:

(a) "Communications skills" means reading and writing.

(b) "Social studies" means geography, history, economics, and American government.

**History:**Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 161, Eff. July 1, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 176, Imd. Eff. Dec. 30, 1997.

388.1705Counting nonresident pupils in membership; procedures.

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in subsection (3), a district shall determine by June 1 whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall do all of the following:

(a) By June 15, publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) At least until July 1, accept applications from nonresidents residing within the same intermediate district for enrollment in the available grades, schools, and programs.

(c) By July 15, using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in the district and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(3) If deadlines similar to those described in subsection (2) have been established in an intermediate district pursuant to a pilot intermediate district schools of choice program under former section 91, and if those deadlines are not later than the deadlines under subsection (2), the districts within the intermediate district may continue to use those deadlines.

(4) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(5) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(8) A district may refuse to enroll a nonresident applicant if the applicant is, or has been within the preceding 2 years, suspended from another school or if the applicant has ever been expelled from another school.

(9) A district shall give preference for enrollment over all other nonresident applicants residing within the same intermediate district to pupils who were enrolled in and attended the district in the school year immediately preceding the school year in question and to other school-age children who reside in the same household as the pupil.

(10) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section.

(12) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(13) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(14) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(15) If, in a particular state fiscal year, the total number of pupils enrolled and counted in membership in a district is less than 90% of the total number of pupils residing in the district who are enrolled and counted in membership in either that district or 1 or more other districts, the total amount of money allocated to that district under section 20 shall be adjusted so that the district receives a total allocation under section 20 equal to the amount the district would receive under section 20 if exactly 90% of the pupils residing in the district who are enrolled and counted in either that district or 1 or more other districts were enrolled and counted in membership in that district.

(16) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(17) A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, title VI of Public Law 91-230, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(18) If a district does not comply with this section, the district forfeits 10% of the total amount due to the district under section 20c.

(19) Upon application by a district, the superintendent of public instruction may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(20) If an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, and if the superintendent of public instruction determines that the program is substantially similar to intermediate district schools of choice under this section, the superintendent of public instruction may exempt the intermediate district and its constituent districts from this section for not more than 1 year.

(21) It is the intent of the legislature that this section will be reviewed before the 1999-2000 state fiscal year.

**History:**Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

**Compiler's note:**Former § 388.1705, which pertained to age of pupils counted in membership, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

388.1705aCounting nonresident pupils in membership; applicability to district not operating all of grades K to 12.

Sec. 105a. Section 105(16) does not apply to a pupil residing in a district that does not operate all of grades K to 12 who is enrolled in a district other than the district of residence in a grade that is not operated by the district of residence.

**History:**Add. 1997, Act 24, Imd. Eff. June 16, 1997.

**Compiler's note:**Former § 388.1705a, which pertained to eligible applicant districts, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

388.1705bIntermediate district operating under pilot schools of choice program.

Sec. 105b. Notwithstanding section 105(21), if an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, the intermediate district and its constituent districts are exempt from section 105.

**History:**Add. 1997, Act 24, Imd. Eff. June 16, 1997.

388.1706Pupils not counted in membership.

Sec. 106. A pupil enrolled in a public school program organized under federal or state supervision and in which the teaching costs are fully subsidized from federal or state funds shall not be counted in membership.

**History:**1979, Act 94, Eff. Oct. 1, 1979.

388.1707Allocation for adult education programs.

Sec. 107. (1) From the appropriation in section 11, there is allocated for 1997-98, for 1998-99, and for 1999-2000 an amount not to exceed \$80,000,000.00 each fiscal year for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general education development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general education development (G.E.D.) certificate, the individual meets 1 of the following:



(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the state technical institute and rehabilitation center.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment related program through a referral by an employer.

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, is at least 20 years of age on September 1 of the school year.

(3) The amount allocated under subsection (1) shall be distributed as follows:

(a) For districts and consortia that received payments for 1995-96 under former section 107f and that received payments for 1996-97 under subsection (4) of this section as in effect in 1996-97, the amount allocated to each for 1997-98, for 1998-99, and for 1999-2000 shall be an amount each fiscal year equal to 36.76% of the amount the district or consortium received for 1995-96 under former section 107f.

(b) For districts and consortia that received payments under subsection (3) of this section as in effect for 1996-97, the amount allocated to each for 1997-98, for 1998-99, and for 1999-2000 shall be an amount each fiscal year equal to the product of the number of full-time equated participants actually enrolled and in attendance during the 1996-97 school fiscal year in the program funded under subsection (3) of this section as in effect for 1996-97 as reported to the department, audited, and adjusted according to subsection (10) of this section as in effect for 1996-97, multiplied by \$2,750.00.

(c) For districts and consortia that meet the conditions of both subdivisions (a) and (b), the amount allocated each fiscal year for 1997-98, for 1998-99, and for 1999-2000 shall be the sum of the allocations to the district or consortium under subdivisions (a) and (b).

(d) A district or consortium that received funding in 1996-97 under this section as in effect for 1996-97 may operate independently of a consortium or join or form a consortium for 1997-98, for 1998-99, or for 1999-2000. The allocation for 1997-98, for 1998-99, or for 1999-2000 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts specified in subdivision (a) or (b), or both, that are attributable to the district or consortium that received funding in 1996-97. A district or consortium

described in this subdivision shall notify the department of its intention with regard to 1997-98, 1998-99, or 1999-2000 by October 1 of the affected fiscal year.

(4) A district that operated an adult education program in 1996-97 and does not intend to operate a program in 1997-98, 1998-99, or 1999-2000 shall notify the department by October 1 of the affected fiscal year of its intention. The funds intended to be allocated under this section to a district that does not operate a program in 1997-98, 1998-99, or 1999-2000 and the unspent funds originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (3) shall instead be proportionately reallocated to the other districts described in subsection (3)(a) that are operating an adult education program in 1997-98, 1998-99, or 1999-2000 under this section.

(5) The amount allocated under this section per full-time equated participant is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(6) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (10) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(7) A general education development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (10) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant passes the G.E.D. test.

(ii) The participant fails to show progress on 2 successive tests used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(8) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) A funding recipient shall receive funding according to subsection (10) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(9) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills or, for 1997-98 only, vocational skills, and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (10) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by appropriate assessment instruments administered at least after every 90 hours of attendance.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(10) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency; for passage of the G.E.D. test; for passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(11) As used in this section, “participant” means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(12) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (6), (7), (8), or (9) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(13) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(14) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(15) From the general fund appropriation in section 11, there is allocated for 1997-98 only an amount not to exceed \$250,000.00 for a grant to focus: hope for a fast-track adult education program.

**History:**Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Former § 388.1707, which pertained to adult education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

388.1707a, 388.1707bRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed sections pertained to economic development job training and jobs grant program.

388.1707c, 388.1707dRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to literacy project grants and adult education categorical grants.

388.1707eRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to adult education programs.

388.1707fRepealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to adult education programs.

388.1708Repealed.1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**The repealed section pertained to adult education programs.

388.1709Providing appropriate instructional services to pupil requiring hospitalization or confinement at home.

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd numbered year, the department shall prepare and distribute to each district and intermediate district a written explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation to any other person upon request.

**History:**Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Eff. Oct. 1, 1994.

## ARTICLE 11

388.1711Tuition rates; computation; uniformity.

Sec. 111. A district having tuition pupils enrolled on the pupil membership count day of each year may charge the district of residence an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, MCL 380.1401. The rate charged by a district shall be uniform within each category of tuition pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, the tuition rate charged to the pupil's district of residence shall not exceed the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district, whichever is greater.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 4, Imd. Eff. Mar. 27, 1985;—Am. 1986, Act 97, Imd. Eff. May 14, 1986;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1995;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... ."

388.1712Full-day kindergarten; tuition or fee prohibited.

Sec. 112. A district receiving funds under this act shall not charge tuition or any other fee for full-day kindergarten for a pupil who is eligible to enroll in the district.

**History:**Add. 1997, Act 93, Eff. Oct. 1, 1997.

388.1713Repealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to pupils residing in juvenile or detention home and attending school by court direction.

388.1716Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to American Indian pupils.

388.1717Repealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to charging legal amount of tuition as requirement for allotment or payment.

388.1718Conditions for allotment or payment; failure to pay full amount; remittance; deduction from school aid.

Sec. 118. (1) Subject to subsection (3), a district shall not be allotted or paid a sum under this act unless that district pays the agreed-upon amount of tuition or other payment for pupils educated outside the boundaries of the pupil's district of residence.

(2) A district that sends pupils to 1 or more districts, that is legally liable for the payment of the amount described in subsection (1), and that fails to pay that amount in full before April 1 of each year shall remit the full amount owed to the receiving district before making any other financial expenditure or commitment for the next school fiscal year.

(3) The department shall not deduct any amount from a district's state school aid pursuant to this section unless the receiving district demonstrates to the satisfaction of the department, not later than April 30 of the same fiscal year, that the liable district has not paid the required amount as described in subsection (2).

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1995, Act 130, Eff. Oct. 1, 1995.

## ARTICLE 12

### 388.1721Valuation of district; adjustments.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws. Adjustments to this taxable value shall be made for all of the following:

- (a) State tax tribunal decisions.
  - (b) Court decisions.
  - (c) Local board of review adjustments made after the state tax commission determination.
  - (d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.
  - (e) The requirements of this act.
- (2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision

or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1995, Act 130, Eff. Oct. 1, 1995.

388.1722Deducting valuation of property from valuation of district; condition; credit as lien; payment of school aid fund.

Sec. 122. The valuation of property assessed under Act No. 189 of the Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the Michigan Compiled Laws, shall be deducted from the total valuation of a district if school taxes levied against the property are not collected from the lessee or user of the property. The credit so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1993, Act 336, Eff. Oct. 1, 1994.

388.1724Reducing valuation of district when taxes paid under certain conditions; credits as lien against district; payment to school aid fund; implementation of subsection (2).

Sec. 124. (1) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are paid under protest and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

(2) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. 1101 to 1174, and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.

**History:** 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1987, Act 17, Imd. Eff. Apr. 24, 1987;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997.



## ARTICLE 14

388.1743-388.1744aRepealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to amounts allocated to eligible districts, allocations to applicants sustaining SEV reduction due to listing of forest land, deductions of amounts, and sources of revenue.

388.1745Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to state share of desegregation costs.

388.1746Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed section pertained to social security and medicare obligations.

388.1746aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to payments to districts for social security and medicare.

388.1747Allocations to public school employees' retirement system.

Sec. 147. (1) The allocations for 1997-98, 1998-99, and 1999-2000 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. Effective October 1, 1997, the annual level percentage of payroll contribution rate for the 1997-98 state fiscal year is estimated at 11.12%, the annual level percentage of payroll contribution rate for the 1998-99 and 1999-2000 state fiscal years is estimated at 11.12%. The portion of the contribution rate assigned to districts and intermediate districts for 1997-98, 1998-99, and 1999-2000 is all of the total percentage points. This contribution rate reflects an amortization period of 39 years for 1997-98, 38 years for 1998-99, and 37 years for 1999-2000. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

(2) It is the intent of the legislature that the amortization period described in section 41(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30 years by the end of the 2005-2006 state fiscal year by reducing the amortization period by not more than 1 year each fiscal year.

**History:**Add. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1748, 388.1749Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed sections pertained to grant to Detroit compact for comprehensive school, business, government, and community partnership, and Michigan partnership for new education.

388.1749a, 388.1749cRepealed.1993, Act 336, Eff. Oct. 1, 1994.

## ARTICLE 15

### 388.1751 Statement of taxable value; duty of tax tribunal; report.

Sec. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the 2 immediately preceding years of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for homestead and qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not homestead or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1) for school operating tax purposes.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

### 388.1752 Reports for determination of allocation of funds; information; reports of educational progress.

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the department before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In order to receive funds under this act, each

district and intermediate district shall also furnish to the department the information the department considers necessary for the administration of this act and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, the senate and house fiscal agencies, and the department of management and budget, as appropriate.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 175, Eff. Oct. 1, 1993.

388.1752aRepealed.1995, Act 130, Imd. Eff. June 30, 1995.

**Compiler's note:**The repealed section pertained to estimates of full-time equated K-12 and part-time membership.

388.1753Furnishing information to legislative fiscal agencies.

Sec. 153. Each district and intermediate district shall furnish to the legislative fiscal agencies of the state legislature information the agencies require on forms prepared and furnished by the agencies, relative to the expenditure of funds appropriated and allocated under this act.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980.

388.1754Repealed.1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**The repealed section pertained to names and post office addresses of treasurers, presidents, and secretaries of boards.

388.1755Repealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to certifications as to nonresident pupils.

388.1756, 388.1757Repealed.1993, Act 336, Eff. Oct. 1, 1994.

**Compiler's note:**The repealed sections pertained to informing legislators of amounts received and study of suspended or expelled students.

388.1758Furnishing information for preparation of district pupil retention report.

Sec. 158. In order to receive funds under this act, each district shall furnish to the department, on a form and in a manner prescribed by the department, the information requested by the department that is necessary for the preparation of the district pupil retention report defined in section 6(3).

**History:**Add. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990.

388.1758aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to reports on suspended and expelled pupils.

388.1758bReport by district receiving federal impact aid.

Sec. 158b. Each district that receives federal impact aid under section 3(c)(1) of title 1 of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238, annually shall report to the department, in the form and manner prescribed by the department, the amount of that aid the district received.

**History:**Add. 1994, Act 283, Eff. Oct. 1, 1994.

388.1758cRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to reports on grants or contracts.

388.1759Repealed.1993, Act 175, Eff. Oct. 1, 1993.

**Compiler's note:**The repealed section pertained to special report including membership data.

## ARTICLE 16

388.1761Violation as misdemeanor; penalty.

Sec. 161. A school official or member of a board or other person who neglects or refuses to do or perform an act required by this act or who violates or knowingly permits or consents to the violation of this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than \$1,500.00, or both.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990.

388.1761aFalse report; court order.

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section 6(6)(g) knowing the report to be false for the purpose of having a pupil counted in membership in a district under section 6(6)(g), as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.

**History:**Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999.

388.1762Failure to file reports; forfeiture of funds.

Sec. 162. A district or intermediate district that fails through the negligence of school officials to file reports pursuant to this act shall forfeit that proportion of funds to which the district or intermediate district otherwise would be entitled under this act as the delay in the reports bears to a school year consisting of the required minimum number

of days and hours, as prescribed in section 1284 of the revised school code, being section 380.1284 of the Michigan Compiled Laws, for the district or intermediate district.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1763 Prohibited conduct; deduction; notice; misdemeanor; penalty.

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence.

**History:**1979, Act 94, Eff. Oct. 1, 1979;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1763a Enrollment of homeless child; definition.

Sec. 163a. (1) A district shall allow a homeless child who is residing in the district to enroll in the district in accordance with state law and with subtitle B of title VII of the Stewart B. McKinney homeless assistance act, Public Law 100-77, 42 U.S.C. 11431 to 11435.

(2) As used in this section, “homeless child” means a school-age child who is homeless, as defined in section 103 of title I of Public Law 100-77, 42 U.S.C. 11302, or who is the child of a homeless individual, as defined in 42 U.S.C. 11302.

**History:**Add. 1994, Act 283, Eff. Oct. 1, 1994.

388.1764 Forfeiture of amount equal to expenditure for cars or chauffeurs.

Sec. 164. A district or intermediate district shall forfeit an amount to which the district or intermediate district otherwise would be entitled under this act equal to the district's or intermediate district's expenditures in the immediately preceding school fiscal year for purchasing, leasing, or renting cars for board members for use within district or intermediate district boundaries, and for chauffeurs for board members or administrators.

**History:** Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1764a Receipt by school administrator of monetary payment in lieu of unused vacation or personal leave.

Sec. 164a. A district or intermediate district shall not allow a school administrator to receive a monetary payment in lieu of unused vacation or personal leave for the purpose of increasing the school administrator's retirement benefits. If a district or intermediate district violates this section in a fiscal year, the district or intermediate district forfeits from its funds due under this act for that fiscal year an amount equal to the salary of the district's or intermediate district's superintendent for that fiscal year.

**History:** Add. 1994, Act 283, Eff. Oct. 1, 1994.

388.1764b Payment or reimbursement of board member expenses.

Sec. 164b. (1) The board of a district or intermediate district shall not pay an expense incurred by a member of the board unless the payment is in compliance with section 1254 of the revised school code, being section 380.1254 of the Michigan Compiled Laws.

(2) In addition to the requirements of section 1254 of the revised school code, the board of a district or intermediate district shall not approve reimbursement of an expense incurred by a board member unless 1 or both of the following conditions is met:

(a) The board, by a majority vote of its members at an open meeting, approved reimbursement of the specific expense before the expense was incurred.

(b) The expense is consistent with a policy adopted by the board, by a majority vote of its members at a regular board meeting, establishing specific categories of reimbursable expenses and the board, by a majority vote of its members at an open meeting, approved the reimbursement before it is actually paid.

(3) Records of all payments under this section shall be open to the public.

(4) A violation of this section is punishable under section 161.

**History:**Add. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1764cPurchase of foreign goods or services.

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services if competitively priced American goods or services of comparable quality are available.

**History:**Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1764dAdoption, implementation, or issuance of certain policies, practices, or statements; prohibition.

Sec. 164d. A district or intermediate district shall not expend funds received under this act to adopt or implement a policy or practice, or to make or issue any public statement or directive, that has the effect of any of the following:

(a) Denies to a student of a particular state university access to the district or intermediate district for student teaching purposes solely because the student is enrolled in that state university.

(b) Prevents the hiring of a graduate of a particular state university solely because the individual graduated from that state university.

(c) Discourages or prohibits a counselor employed by the district or intermediate district from recommending a particular state university to a pupil of the district or intermediate district for reasons other than the suitability of the state university's educational offerings for the particular pupil.

**History:**Add. 1995, Act 130, Eff. Oct. 1, 1995.

388.1764eStudent teaching; employment discrimination prohibited.

Sec. 164e. If a district or an employee of a district discriminates against a person engaging in or seeking to engage in student teaching in the district because the state university in which the person is enrolled serves as the authorizing body for 1 or more public school academies, the district forfeits an amount equal to 10% of the funds due to the district under this act.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996.

388.1765Reimbursement by entity in contractual shared time agreement.

Sec. 165. If an individual or private entity receives payment or consideration from a district or intermediate district as a result of involvement in a contractual shared time agreement and if memberships attributable to that agreement are subsequently disallowed By the department, the individual or entity shall reimburse to the district or intermediate

district the full amount of the payment or consideration received. The attorney general may take any action necessary to enforce the reimbursement required under this section.

**History:**Add. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

**Compiler's note:**Former § 388.1765, which pertained to forfeiture of apportionments, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

388.1766Dispensing or distributing family planning or drug or device, dispensing prescriptions for family planning drug, or making referrals for abortion; forfeiture.

Sec. 166. A district in which a school official, member of a board, or other person dispenses or otherwise distributes a family planning drug or device in a public school in violation of section 1507 of the revised school code, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.

**History:**Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

388.1766aInstruction in reproductive health or other sex education; notice, review, and observation; excuse from instruction; failure to comply.

Sec. 166a. (1) In order to avoid forfeiture of state aid under subsection (2), the board of a district or intermediate district providing reproductive health or other sex education instruction under section 1169, 1506, or 1507 of the revised school code, being sections 380.1169, 380.1506, and 380.1507 of the Michigan Compiled Laws, shall ensure that the district or intermediate district does not provide any of that instruction to a pupil who is less than 18 years of age unless the district or intermediate district notifies the pupil's parent or legal guardian in advance of the instruction and the content of the instruction, gives the pupil's parent or legal guardian a prior opportunity to review the materials to be used in the instruction, allows the pupil's parent or legal guardian to observe the instruction, and notifies the pupil's parent or legal guardian in advance of his or her rights to observe the instruction and to have the pupil excused from the instruction. Upon the written request of a pupil's parent or legal guardian or of a pupil if the pupil is at least age 18, the pupil shall be excused, without penalty or loss of academic credit, from attending class sessions in which the instruction is provided.

(2) A district or intermediate district that does not comply with this section shall forfeit 5% of its total state school aid allocation under this act.

**History:**Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.



388.1766bMinor enrolled in nonpublic school or home school.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district or intermediate district in any curricular offering that is provided by the district or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school located within the district or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by an employee of the district or of an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades 1 to 12.

(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

**History:**Add. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

388.1766dHealth care coverage for abortion services; prohibition.

Sec. 166d. (1) Funds appropriated under this act shall not be expended to provide health care coverage for district or intermediate district employees or their dependents for abortion services, other than for spontaneous abortion or to

prevent the death of the woman upon whom the abortion is performed, if those services are not required by a collective bargaining agreement.

(2) A district or intermediate district shall not approve a collective bargaining agreement which includes health care coverage for abortion services other than spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed. This section shall not prohibit a health care benefit program which provides for an employee-paid rider providing coverage for abortion services.

(3) If a district or intermediate district expends funds in violation of this section, the district or intermediate district shall forfeit 5% of the total state school aid for that district or intermediate district.

**History:**Add. 1997, Act 93, Eff. Oct. 1, 1997.

388.1766eConstruction of new building, or addition to or repair or renovation of existing building; use of competitive bid process.

Sec. 166e. Before entering into a contract in an amount in excess of \$15,000.00 for any materials, supplies, or equipment or a contract in an amount in excess of \$15,000.00 for construction of a new building, or addition to or repair or renovation of an existing building, the board of a district organized as a school district of the first class under part 6 of the revised school code, MCL 380.401 to 380.485, or any other purchasing authority within a district organized as a school district of the first class, shall obtain sealed competitive bids, and the district shall award such a contract using this competitive bid process. This section does not prohibit a district from making a public request for proposals before requesting bids and does not prohibit a district from awarding a contract based on a combination of price, quality, and service factors. A school official or member of a school board or other person who neglects or refuses to do or perform an act required by this section, or who violates or knowingly permits or consents to a violation of this section, is guilty of a misdemeanor punishable by a fine of not more than \$500.00, or imprisonment for not more than 3 months, or both.

**History:**Add. 1997, Act 93, Eff. Oct. 1, 1997.

388.1767Plan for compliance with §§ 333.9209 and 380.1177; report of immunization status; districts subject to subsection (4); failure to comply with section.

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised

school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1, of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils. If the department of community health is not able to report to the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

**History:**Add. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

388.1767aRepealed.1995, Act 130, Eff. Oct. 1, 1995.

**Compiler's note:**The repealed section pertained to funds held in escrow.

388.1768Access to records; audit.

Sec. 168. In order to receive funds under this act, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this act shall allow access for the department or the department's designee to audit all records related to a program for which it receives such funds. The district, intermediate district, grant recipient, contractor, or other entity shall reimburse the state for all disallowances found in the audit.

**History:**Add. 1993, Act 175, Eff. Oct. 1, 1993.

388.1768aRemoving or contracting to remove asbestos.

Sec. 168a. In order to receive funds under this act, a district or intermediate district shall not remove asbestos, or contract for the removal of asbestos, from an educational facility unless the removal is required under Act No. 51 of the Public Acts of 1993, being sections 388.861 to 388.864 of the Michigan Compiled Laws.

**History:**Add. 1993, Act 175, Eff. Oct. 1, 1993.

388.1769State aid to public school academies.

Sec. 169. In order for a public school academy to receive state aid under this act, the public school academy shall demonstrate to the satisfaction of the department that the public school academy has made a good faith effort to advertise, throughout the entire area of the intermediate district in which the public school academy is located, that the academy is enrolling students and the procedures for applying for enrollment. The department shall not make any payments to a public school academy until the public school academy supplies evidence satisfactory to the department demonstrating compliance with this section. If a public school academy is a successor to a nonpublic school and more than 75% of the pupils enrolled in the public school academy during its first school year of operation were previously enrolled in that nonpublic school, there is a rebuttable presumption that the public school academy did not make the good faith effort required under this section.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996.

**Compiler's note:**Former § 388.1769, which pertained to purchasing foreign goods or services, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

388.1769aMichigan schools for the deaf and blind; information about residential programs; interference with right or ability prohibited; educational placement options.

Sec. 169a. (1) A board member, official, or employee of a district or intermediate district shall not interfere with the right or ability of the Michigan schools for the deaf and blind to provide information about the residential program among parents and guardians of pupils or residents of the district or intermediate district.

(2) Upon determining that a pupil is deaf or hard of hearing, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan coalition for deaf and hard of hearing persons, on educational placement options for deaf and hard of hearing children.

(3) Upon determining that a pupil is blind, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan federation for the blind, on educational placement options for blind children.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

**Compiler's note:**Former § 388.1769a, which pertained to reports, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

388.1769bContract in which board member has conflict of interest; abstention from voting.

Sec. 169b. A board member of a district, intermediate district, public school academy, or public school academy corporation shall abstain from voting on any contract in which the board member has a conflict of interest.

**History:**Add. 1996, Act 300, Eff. Oct. 1, 1996.

## ARTICLE 17

388.1771Repeal of §§ 388.1401 to 388.1572; certain references considered references to former act.

Sec. 171. (1) Act No. 90 of the Public Acts of 1977, as amended, being sections 388.1401 to 388.1572 of the Compiled Laws of 1970, is repealed.

(2) A reference to a section or subsection of this act applicable to a fiscal year ending before October 1, 1979, shall be considered a reference to the section, subsection, or provision of former Act No. 90 of the Public Acts of 1977 or former Act No. 258 of the Public Acts of 1972, governing the same subject matter, as determined by the department.

**History:**1979, Act 94, Eff. Oct. 1, 1979.

388.1771aRepealed.1984, Act 239, Eff. Oct. 1, 1984.

**Compiler's note:**The repealed section pertained to revised method of distributing general membership aid.

388.1772Effective date.

Sec. 172. This act shall take effect October 1, 1979.

**History:**1979, Act 94, Eff. Oct. 1, 1979.